
Douglas E. Bowers
Executive Editor

For this issue:
Karen S. Hamrick
Issue Editor
Alma Young
Graphics and Map Assistance

Lindsay Mann
Brenda Powell
Managing Editors

Dale Simms
Editorial Assistance

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Rural Areas Continue To Benefit from the Economic Expansion

By many measures rural economies continue to experience the benefits of economic expansion. In particular, rural labor markets have been tight, demand for rural workers strong, and wages have risen. However, income levels continue to be lower for rural households than for urban, and rural areas experience higher poverty rates than urban areas.

This issue of *Rural Conditions and Trends (RCaT)* presents the annual review of socioeconomic well-being of rural areas in the United States. The last time *RCaT* reported on socioeconomic conditions and trends was in 1996 (Vol. 7, No. 3). In addition to the usual indicators of well-being that have been published in the past issues, this issue of *RCaT* includes several facets of rural well-being that either have not previously been reported on, or have not been written about in some time: multiple jobholding, the working poor, the elderly, immigrants, births to unmarried mothers, and housing. We are pleased to resume publishing the Current Population Survey unemployment rates for metro and nonmetro areas. This issue also includes discussion of long-run trends in personal income, population, and farm operator household income. Some of the earlier appendix tables, such as per capita income by residence, which are usually included here, are not included in this issue. Because of the early timing of this issue, we do not yet have an additional year of data to report. Updates of those appendix tables are planned for future issues of *RCaT*.

The Socioeconomic Conditions issue of *RCaT* is published in order to provide data and analysis on various indicators of rural well-being. Although most of the data used here originates from other government agencies, many of the indicators for metro/nonmetro are published only by ERS. Because rural areas have historically lagged urban areas by many measures, and indeed rural areas continue to lag in some measures, there is a need to monitor socioeconomic conditions by area of residence. Knowing how rural areas are different than urban areas is crucial in evaluating how policy changes such as welfare reform, the increase in the minimum wage, or immigration reform will affect rural areas.

Demand for Rural Workers Strong in the 1990's . .

In 1990-91 the national economy was in recession. Some analysts feared that rural areas would bear the brunt of the recession, as had happened during the recessions of 1980-82. Instead, rural economies weathered the downturn better than urban ones, and showed strong growth in the first 2 years of the expansion. Rural areas continue to show solid economic performance by several measures.

The most dramatic story is in the rural labor market. Annual average employment growth was 1.6 percent in nonmetro areas over 1990-94, twice the annual average for urban areas (fig. 1). A total of 1.4 million nonmetro jobs were added during the recession and the first 2 years of the expansion. In 1994 nonmetro job growth was especially strong at 2.8 percent, and in particular, the nonmetro West enjoyed a 4.5-percent increase in jobs. Over 1994-96, the rate of growth of nonmetro jobs averaged 1.3 percent, while metro areas finally caught up with an annual growth rate of 1.7 percent. An additional 600,000 jobs were added in nonmetro areas during these 2 years. Moreover, unemployment in nonmetro areas has been low. In 1996, the nonmetro unemployment rate was 5.6 percent, about the same as the metro rate, 5.4 percent.

The rural employment growth experience of the 1990's is in sharp contrast to that of the 1980's. After the recessions of 1980-82, rural areas did not catch up to urban areas until 1988. ERS research found that it was not the 1980-82 recessions themselves that hit rural labor markets so hard, but the particular financial market conditions of the mid-1980's—the high value of the dollar and high interest rates. The rural labor market is more sensitive to exchange rate movements and appears more export-dependent than urban areas. The high levels of exports that have been maintained in the 1990's have contributed to the tight rural labor markets.

The tighter nonmetro labor market translated into higher wages for workers. Nonmetro real earnings increased 1.8 percent over 1990-96, while metro earnings fell slightly.

Wage inequality declined in nonmetro areas, while metro areas were experiencing an increase in wage inequality. Another sign of strong demand for nonmetro workers is the rate of multiple jobholding, which is higher in nonmetro areas.

In the farm sector, too, we also find a strong labor market. The number of hired farmworkers in 1996 increased to the highest level seen in the 1990's, 906,000. Wages were up as well. Weekly real earnings for full-time farmwork—one of the lowest-paying occupations in the U.S. economy—were up 5.6 percent since 1994, to \$280 in 1996.

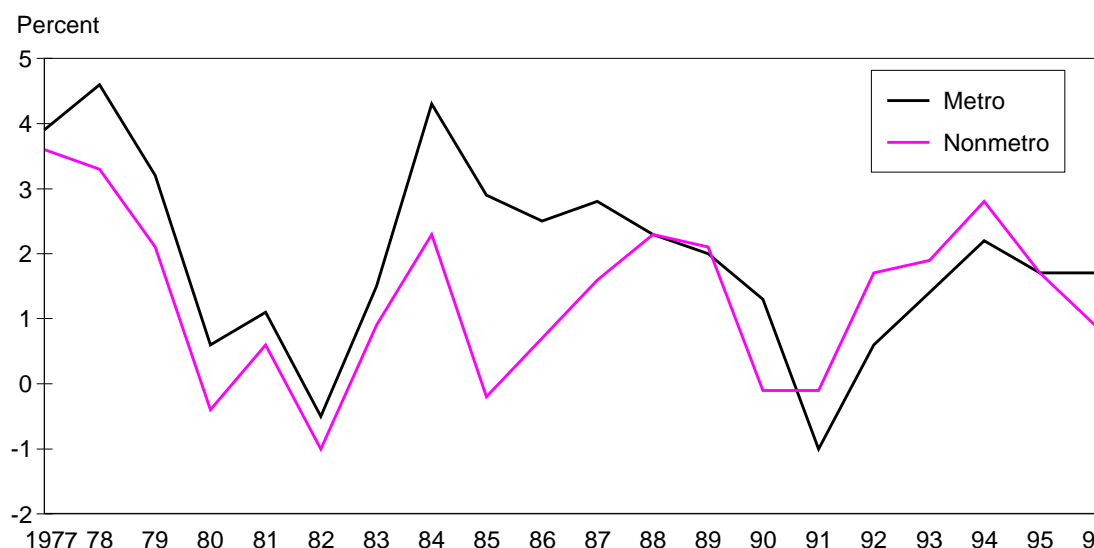
Another indicator of the economic strength of rural areas in this expansion is that median household income increased by 2.9 percent from 1994 to 1995, to \$27,776. In addition, median real personal income for rural areas increased over the 1990's.

The strong rural employment news is matched by population trends: the nonmetro population grew by about 6 percent during 1990-96. Half of the population increase was due to a net inflow of 1.5 million people from metro areas. Because the incomes of nonmetro immigrants were greater than the incomes of nonmetro outmigrants, rural per capita income grew over 1992-95. This trend is particularly striking in high-amenity counties such as in the Pacific and intermountain West, the Appalachians, the Ozark-Ouachita Plateau, the Upper Great Lakes, and rural New England.

. . . However Rural Incomes Continue To Be Less than Urban

Despite the recent positive economic signs, rural areas continue to face challenges. Rural median household income is only about 77 percent that of urban areas. In particular, median income of rural Black households and female-headed households is only about half of the rural median. The poverty rate in rural areas continues to be higher than for urban, 15.6 percent for rural versus 13.4 percent urban. The poverty rate in the rural South is 19.2 percent, and over half of the rural poor live in the South. Of particular concern is the finding that rural workers are more likely to be below or near the poverty line. The fact that work does not necessarily lift a family out of poverty is especially true in rural areas. [Karen S. Hamrick, 202-219-0789 (after October 24, 202-694-5426), khamrick@econ.ag.gov]

Figure 1
Employment growth, 1977-96
Nonmetro employment growth surpassed metro in the 1990's



Source: Calculated by ERS using Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

U.S. Economy Moderates in 1997

The U.S. economy had a strong showing in 1996 and the first half of 1997 with low unemployment and low inflation. Continued moderate economic expansion is expected to benefit rural areas due to growth in employment and higher real wages.

The United States finished its fifth year of economic expansion with few signs of weakness outside of the trade sector. The Federal Reserve responded to the general weakness in the economy in late 1995 and early 1996 by lowering the Federal Funds rate—the overnight rate at which banks lend money to each other to cover reserve requirements—by 50 basis points; that is, 0.5 percentage points. As a result, the yield on 3-month Treasury bills averaged 5.0 percent in 1996, down from the 5.5-percent yield of 1995. The low interest rate and strong consumer and business spending resulted in increased Gross Domestic Product (GDP) growth. GDP growth for the year was a moderate 2.5 percent.

Despite a sharp surge in energy prices in 1996, accelerating inflation did not materialize. Crude oil and industrial natural gas prices both rose 35 percent from November 1995 to November 1996. This energy price increase coupled with sharp food price increases triggered a 2.5-percent rise in producer prices—up from the 1.7-percent rise of 1995. Nevertheless, broader inflation did not accelerate and consumer prices rose at only a 2.9-percent annualized rate, up only slightly from the 1995 rate of 2.8 percent. In fact, the GDP deflator—a measure of inflation over the entire economy—rose only 2.1 percent, down from the 2.5-percent rise of 1995.

The Labor Market Continued To Tighten Throughout 1996

The unemployment rate steadily dropped over the year, with an annual rate of 5.4 percent; 2.8 million more workers were employed at the end of 1996 than at the end of 1995. The labor force grew by 2.6 million as individuals joined or rejoined the labor force. The labor force participation rate increased as a larger share of the population was in the labor force. Several regions were reporting tight labor markets. Real wages unambiguously increased for the first time in the recovery from the recession that began in summer 1990 and ended in early 1991. However, they did not match recent productivity gains. The real wage increases allayed concerns at the beginning of the year that consumer spending would soften.

Low Unemployment, Low Inflation, and the Federal Reserve

The joint good news of low unemployment and low inflation has surprised analysts for the last year. Typically, as unemployment declines, labor markets tighten and wages are bid up. Larger wage increases historically have triggered rising inflation since wages and benefits are the largest component of business costs. The Federal Reserve looks closely at unemployment rates as an indicator of labor market tightening in monitoring inflationary pressures.

The Federal Reserve refrained from raising the Federal Funds rate over 1996 despite the declining unemployment rate. However, inflation did not accelerate. One reason is that overall real compensation increases have been less than productivity gains (fig. 1). Employers could afford to pay slightly more for workers because they were producing more. Another part of the story is that some labor markets—regional markets such as the Midwest and specific occupational markets such as the one for computer specialists—have experienced noticeable wage increases, but others, such as manufacturing, have not. Average real wage increases over the economy were small but, for the first time in the recovery, were positive by all measures.

1997 So Far and Outlook

The U.S. economy experienced spectacular real GDP growth in the first quarter of 1997, at an annualized rate of 5.9 percent—an increase of \$101 billion. Fueling the first-quarter growth was an increase in real consumer spending of 5.6 percent, led by a nearly 19-percent increase in spending on consumer durables. Mild weather played a large role in boosting consumer durable spending. Business fixed investment also had a strong show-

ing with an annualized increase of 11 percent. Business inventory accumulation added \$31 billion to real GDP. Unemployment continued to decline and inflation was low.

Economic growth is expected to moderate from the very fast pace of the first quarter. The combination of low unemployment and low inflation will likely continue, although monthly inflation and unemployment rates will be somewhat higher in the second half of the year. Moreover, the trade deficit is expected to increase with a sharp increase in demand for imports largely to meet growth in the demand for nondurable goods. This increased import demand is largely due to a delayed reaction to a higher valued U.S. dollar in 1996.

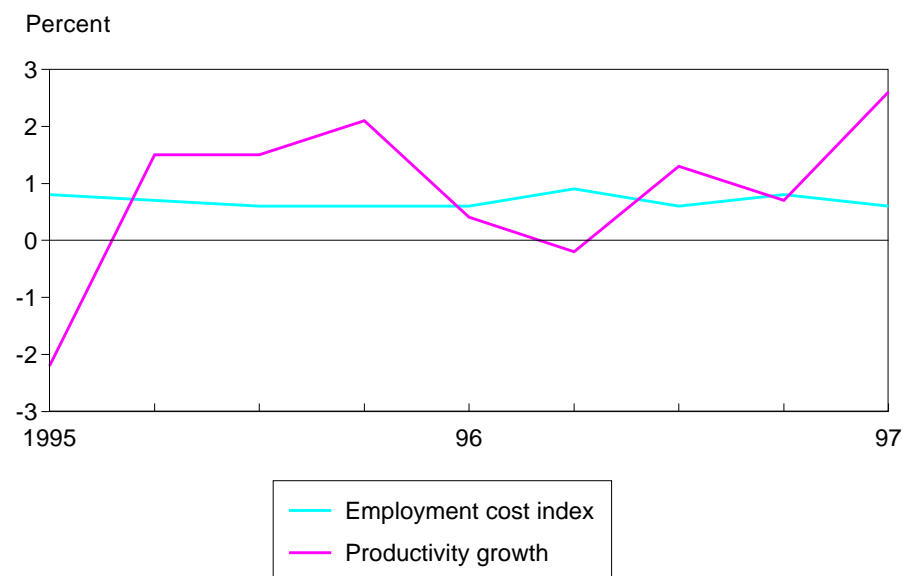
The prospects for continued low inflation are excellent. The producer price index fell January through May. The 2.6-percent growth in nonfarm labor productivity in the first quarter, the modest recent increases in the Employment Cost Index, and recent high profit levels mean that employers can well afford moderate real wage increases. The tighter labor market will almost ensure that higher wages will have to be paid. Although capital utilization rates have increased recently, they are far from levels that will trigger high inflation.

The unemployment rate will continue to be relatively low through the year, although GDP growth will moderate. The tight labor markets will result in higher real wages. Good disposable income growth from increased real wages will support consumer spending growth. Larger consumer spending on services and nondurables such as clothing and food will mainly drive the moderate GDP growth. In addition, exports are likely to be strong over the coming year. Foreign demand for U.S. products is expected to increase as trading partners' GDP growth improves. However, the strong consumer demand, in the context of a strong U.S. dollar, will also fuel increased imports, so the net trade deficit is expected to increase somewhat, thus moderating GDP growth.

Figure 1

Productivity growth and compensation cost growth

Productivity growth has exceeded compensation cost growth over most of the last 2 years



Source: Employment Cost Index for compensation, all civilian workers, seasonally adjusted, 3-month percent change; and output per hour, nonfarm business, seasonally adjusted, percent change from previous quarter at annual rate, from Bureau of Labor Statistics.

Growth in Manufacturing and Exports To Benefit Rural Areas

The Federal Reserve raised short-term interest rates in March to prevent a surge of inflation in 1998, and may raise them again later this year. But long-term interest rates are likely to average about what they did in 1996. Since U.S. interest rates are relatively high compared with Germany and Japan, the dollar will remain strong throughout 1997. Banks appear to have plenty of money to lend at relatively low rates, supporting small manufacturers, rural service businesses, and farming.

Manufacturing, which had strong growth in 1996 and early 1997, will moderate in the second half of 1997 as domestic growth slows. This moderate growth should benefit rural areas since manufacturing is an important employer of rural workers. The unit labor costs of American manufacturers, even at the current value of the dollar, are lower than those of Japan and Germany (except for vehicles and vehicle parts).

ERS research suggests that rural areas are more export-dependent than urban areas, so the robust demand for U.S. exports should result in a favorable employment situation in rural labor markets. Although not as high as in 1996, farm income will be quite good in 1997. The rural service sector, particularly that supporting agriculture, should be strong. The expected continued tightness in the service and manufacturing labor markets and the scheduled boost in the minimum wage should result in higher real wages in rural areas in 1997. *[Data as of July 1, 1997. David A. Torgerson, 202-501-8447 (after October 31, 202-694-5334), dtorg@econ.ag.gov; and Karen S. Hamrick, 202-219-0789 (after October 24, 202-694-5426), khamrick@econ.ag.gov]*

Employment Growth Rates Converge for Metro and Nonmetro Areas

Employment growth and other labor market indicators suggest that the metro United States experienced somewhat more robust economic expansion than the non-metro United States in 1995-96, after several years in which the non-metro United States had led the expansion. Demographic and geographic clusters of unemployment account for a large fraction of the non-metro unemployed.

From 1990 to 1994, nonmetro employment grew at twice the rate of metro employment, according to data from the Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS). However, in the past 2 years, nonmetro growth has slowed, while the metro growth rate has accelerated and now exceeds the nonmetro rate. From 1995 to 1996, metro employment grew 1.7 percent while nonmetro employment grew 0.9 percent.

At the regional level, employment growth has accelerated in metro areas in all four Census regions since the early 1990's, while nonmetro employment growth accelerated only in the Northeast (table 1).

Growth Rate Differentials Across Regions and County Types Narrow

Overall, regional and metro-nonmetro disparities in employment growth appear to be slight at this point in the economic expansion. Employment growth rates for 1995-96 ranged from 0.7 percent in the nonmetro South to 1.9 percent in the metro South and metro West (fig. 1 and appendix table 1). This spread is modest compared with the range seen just 2 years earlier, when estimated employment growth was as low as 0.1 percent in the nonmetro Northeast and as high as 4.5 percent in the nonmetro West.

Past differences in employment growth rates across other county classifications also seem to have declined. The 0.9-percent 1995-96 employment growth rate for nonmetro counties was nearly the same for counties both adjacent and nonadjacent to metro areas, while the corresponding 1.7-percent growth rate for metro counties was nearly the same in the core counties of large metro areas as it was in other ("noncore") metro counties (appendix table 1). While some differences in growth rate by county economic type do persist for nonmetro counties, these differences have also generally declined, as growth rates have fallen rapidly since 1994 for several county types that were then growing particularly rapidly—including Federal lands, service-dependent, and farming counties—while declining more gradually for some county types that were growing more slowly—such as mining counties and government-dependent counties.

Nonmetro Unemployment Is Geographically Dispersed, but Clusters of Unemployment Are Substantial

Overall, there were about 1.7 million nonmetro unemployed in 1996. If unemployment rates in all high-unemployment counties (those with unemployment rates above the U.S.

Table 1

Metro and nonmetro employment growth rates by region, 1990-94 and 1994-96

Metro employment growth rates have accelerated since 1994, and now exceed nonmetro growth rates in three of four regions

Region	Nonmetro		Metro	
	1990-94	1994-96	1990-94	1994-96
Annual percentage growth rates				
Northeast	-0.2	1.3	-0.8	1.1
Midwest	1.8	1.2	1.2	1.5
South	1.5	1.3	1.5	2.0
West	2.6	1.7	0.7	2.1
U.S. average	1.6	1.3	0.8	1.7

Note: These growth rates are calculated from annual average employment levels for 1990, 1994, and 1996.

Source: Calculated by ERS using Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

average) had been reduced to the U.S. average, this number would have fallen by about 0.4 million. The distribution of this 0.4 million may be viewed as the geographic component of any nonmetro unemployment problem. Those who are unemployed in areas of relatively low unemployment, or who would remain unemployed even if unemployment in their areas fell to average levels, also suffer economic hardship, but their situations reflect macroeconomic or broad institutional factors rather than geographically specific circumstances. (However, geographic concentrations of unemployment are likely to reflect geographic concentrations of individuals with characteristics that predispose them to unemployment, as well as characteristics of the locations themselves.)

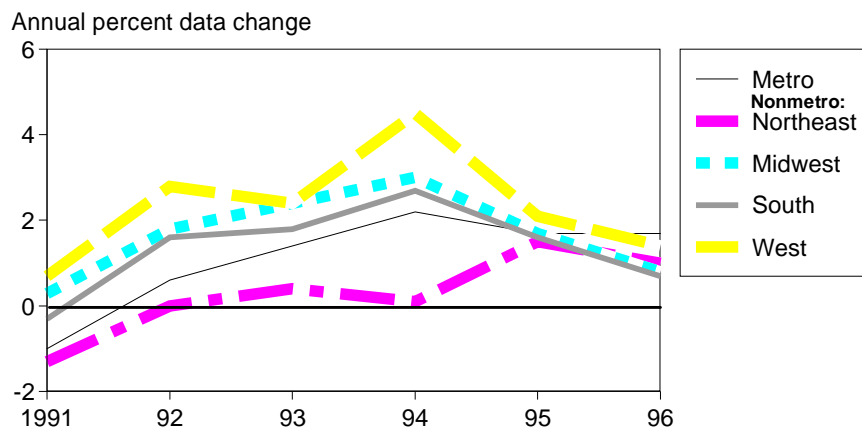
Figure 2 illustrates the distribution of these 0.4 million "location-specific unemployed." Overall, more than 1,200 U.S. nonmetro counties had unemployment rates above the U.S. average in 1996, but just 240 of these counties accounted for more than 60 percent of the location-specific unemployed. About 38 percent of the nonmetro location-specific unemployed are concentrated in seven Western and three Southern States (Alaska, Arizona, California, Hawaii, New Mexico, Oregon, Washington, Louisiana, South Carolina, and West Virginia), which together have less than 15 percent of the nonmetro labor force. The other 62 percent are scattered among 37 other States, including 29 with more than 1,000 location-specific unemployed persons each. Some nonmetro areas where high unemployment rates combine with relatively large population concentrations to yield substantial concentrations of the location-specific unemployed include Imperial County, California; the South Carolina-North Carolina border area; the Kentucky-Virginia border area; and parts of the Rio Grande Valley in Texas.

Other Labor Force Indicators Show Relative Gains for Metro Areas in 1996, but Indicate Renewed Nonmetro Growth in 1997

Current Population Survey (CPS) data on employment and unemployment in nonmetro areas are now available again, but the 1994 redesign and other changes limit comparability with earlier data (see appendix).

The CPS data that are available appear to match the LAUS data in showing metro areas outpacing nonmetro areas in employment growth in 1996. From the first quarter of 1996 to the first quarter of 1997, the labor force participation rate rose 0.7 percentage points in metro areas and the employment/population ratio rose 1.0 percentage point (table 2).

Figure 1
Estimated employment growth by year, 1990-96, metro average and four nonmetro regions
Nonmetro growth in the 1990's has generally been fastest in the West and slowest in the Northeast, but nonmetro growth rates have converged in the past 2 years



Source: Calculated by ERS using Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

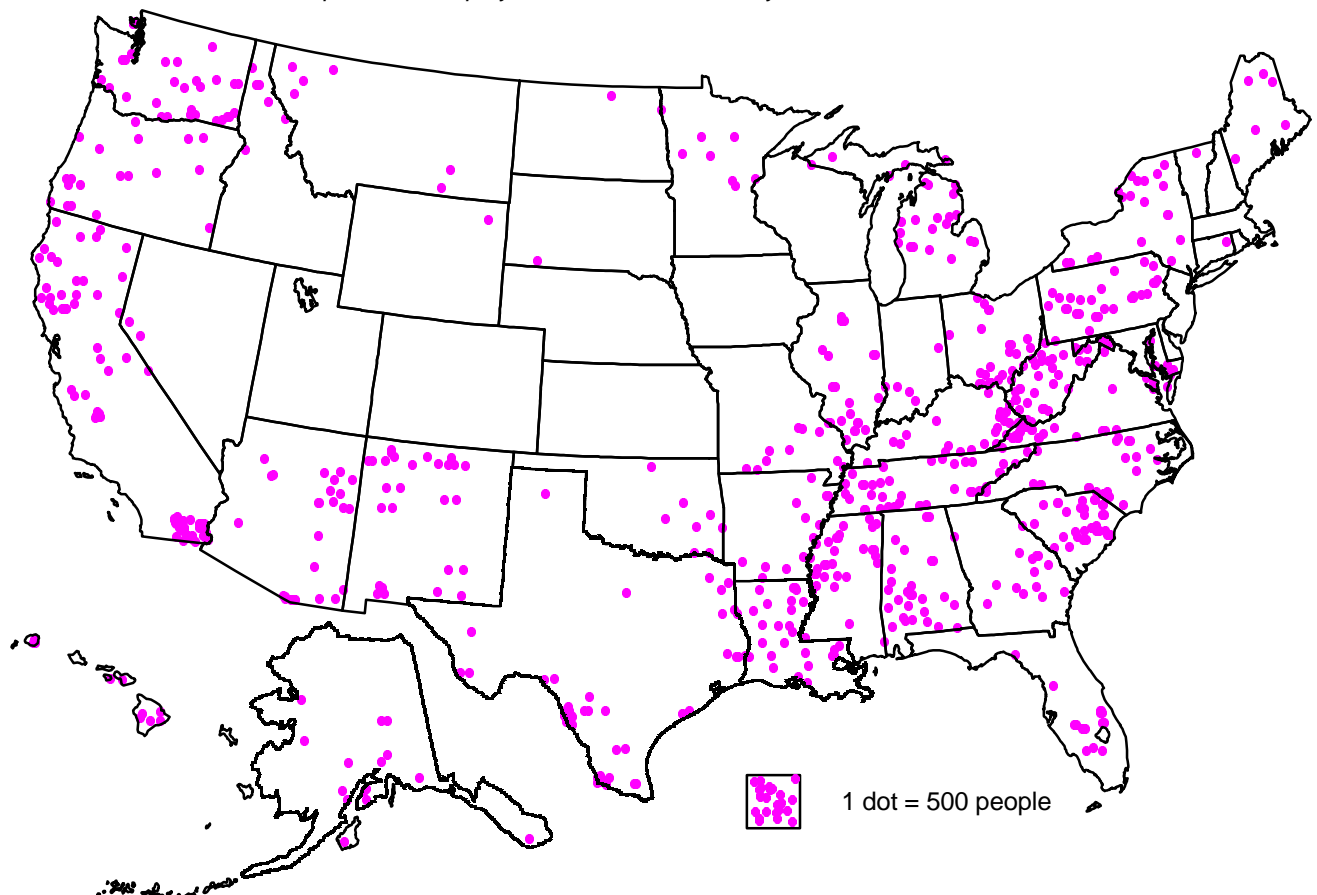
The corresponding indicators in nonmetro areas fell 0.2 and 0.3 percentage points. Metro area unemployment fell 0.4 percentage points over the same period while nonmetro unemployment rose 0.1 percentage points.

However, figures for the second quarter of 1997 suggest a renewed acceleration of nonmetro growth. Between the first and second quarter of 1997, estimated nonmetro labor force participation rose by 1.7 points, and the estimated employment/population ratio rose by 2.6 points. These values are not seasonally adjusted, as we do not have enough quarters of data since the CPS redesign to compute seasonal adjustments; however, both values are well in excess of typical first-to-second-quarter increases, and much greater than the corresponding metro changes. Similarly, while nonmetro unemployment normally falls substantially between the first and second quarter, the 1.5-point decline in 1997 is larger than typical, also suggesting increased vigor in the nonmetro economy. Strength in

Figure 2

Nonmetro counties with unemployment above U.S. average

Clusters of location-specific unemployment are found in many States



Source: Calculated by ERS using data from the Bureau of Labor Statistics.

the manufacturing sector, which accounts for a larger share of employment in nonmetro areas, may have contributed to this vigor.

Unemployment Rates Vary Widely with Demographic Characteristics

CPS data for 1996 show that historical differences in unemployment rates across demographic groups persist. Unemployment rates of 8 percent or more were seen for labor force members under 25, for Blacks and Hispanics, and for those with less than a high school diploma (fig. 3). In contrast, unemployment rates were under 4 percent for those over 45 and for college graduates. Data for the first half of 1997 show little change in these patterns. [Lorin Kusmin, 202-219-0550 (after October 24, 202-694-5429), lkusmin@econ.ag.gov]

Table 2

Labor force indicators, metro and nonmetro areas, first quarter 1996 and first quarter 1997

Labor force indicators from the Current Population Survey suggest that nonmetro labor markets were relatively stable during 1996, while expansion continued in metro labor markets

	First quarter 1996	First quarter 1997	Change
	Percent	Percent	Percentage points
Metro:			
Labor force participation rate	66.7	67.5	0.7
Employment/population ratio	62.7	63.7	1.0
Unemployment rate	6.0	5.6	-0.4
Adjusted unemployment rate	9.6	9.0	-0.7
Nonmetro:			
Labor force participation rate	63.7	63.5	-0.2
Employment/population ratio	59.7	59.4	-0.3
Unemployment rate	6.3	6.5	0.1
Adjusted unemployment rate	10.2	9.9	-0.2

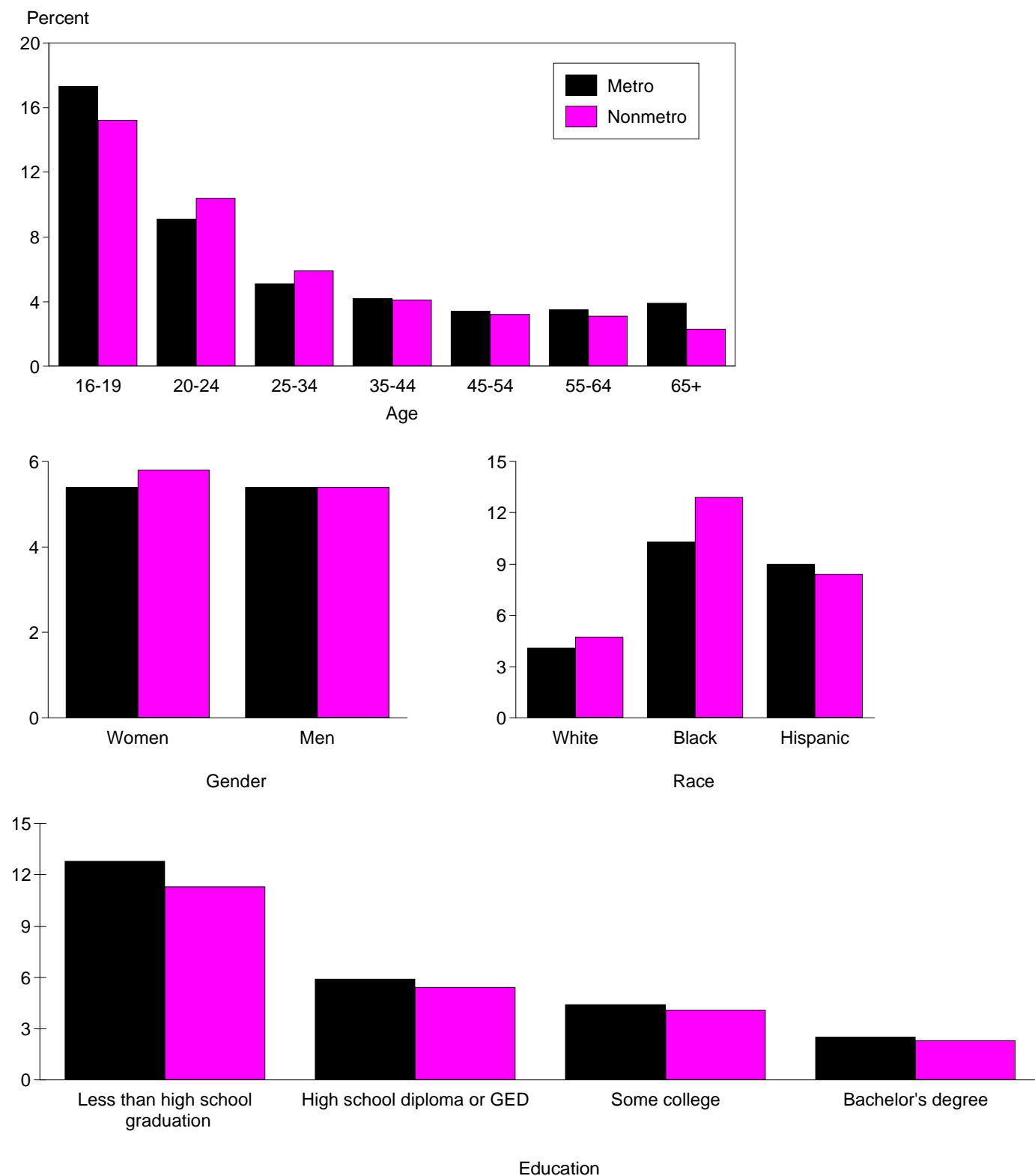
Note: Change may not equal difference between columns due to rounding.

Source: Calculated by ERS using data from the Current Population Survey; not seasonally adjusted.

Figure 3

Metro and nonmetro unemployment rates by demographic group, 1996

Metro and nonmetro unemployment rates are similar for most demographic groups



Source: Calculated by ERS using data from the Current Population Survey.

Employment Growth and Unemployment Rate Often Identify Different Counties As Prosperous

Employment growth and low unemployment are often cited as indicators of prosperity or goals of economic policy. However, they are not closely related at the county level. Many counties combine high-employment growth with high unemployment; many others, particularly in the Midwest, combine low-employment growth with low unemployment.

Because it is easily understood and widely available, the unemployment rate is frequently used as an indicator of overall economic performance. At the national level, periods of strong employment growth are typically associated with lower unemployment. However, the unemployment rate is only one measure of labor market conditions. To get a more complete picture, both the unemployment rate and employment growth must be considered.

The Relationship Between Employment Growth and a Low Unemployment Rate Is Uncertain at the Local Level

Employment growth and a low unemployment rate are often bracketed together as expected joint outcomes of effective economic policies. However, at the local level, the relationship between employment growth over time and reduced unemployment may be weakened by migration and changes in commuting flows. Thus, some communities may experience persistently high unemployment with rapid employment growth, as commuters and migrants rather than local residents fill new jobs. Indeed, high-employment growth may attract would-be workers from other areas and so increase local unemployment levels. Further, communities may have low unemployment despite little or no employment growth, as workers migrate or commute elsewhere for employment.

Counties That Combine High-Employment Growth Rates and High or Rising Unemployment Are Numerous and Widespread

As figure 1 shows, the geographic distribution of low-unemployment-rate counties is quite different from the distribution of high-employment-growth counties. Many counties, particularly in the Midwest and Great Plains, had below-average unemployment rates in 1996 despite below-average employment growth over the previous 6 years. In much of the rural Midwest, high rates of outmigration—particularly by young adults, who typically have relatively high-unemployment rates while they seek a niche in the labor market—keep unemployment rates very low despite the lack of local employment opportunity. Further, in those areas where a large share of the working-age population lives on farms, reported unemployment rates are likely to be depressed, as farm residents who are working on their farms will not be reported as unemployed, even if they receive little income from their farms and are seeking nonfarm employment. Many other counties, widely distributed across the South, West, and upper Midwest, combined above-average employment growth with persistently above-average unemployment. In general, the map shows strong regional patterns in unemployment rates, while employment growth rates vary more from one county to the next.

Even when we compare employment growth with the change in unemployment rates between 1990 and 1996, we can see that in many instances they do not move together (fig. 2). Counties where unemployment rates fell between 1990 and 1996 despite low-employment growth can be found in all regions of the country. Counties where unemployment rates were stable or rose despite above-average employment growth are also numerous and widely dispersed, with some concentration in the Mountain West, and some smaller clusters elsewhere (Nebraska, Tennessee, eastern Texas-western Louisiana).

A tabular comparison of nonmetro counties by employment growth and unemployment rate shows that out of 2,299 nonmetro counties analyzed, just 625 fit a profile of robust employment conditions, with above-average growth rates and below-average unemploy-

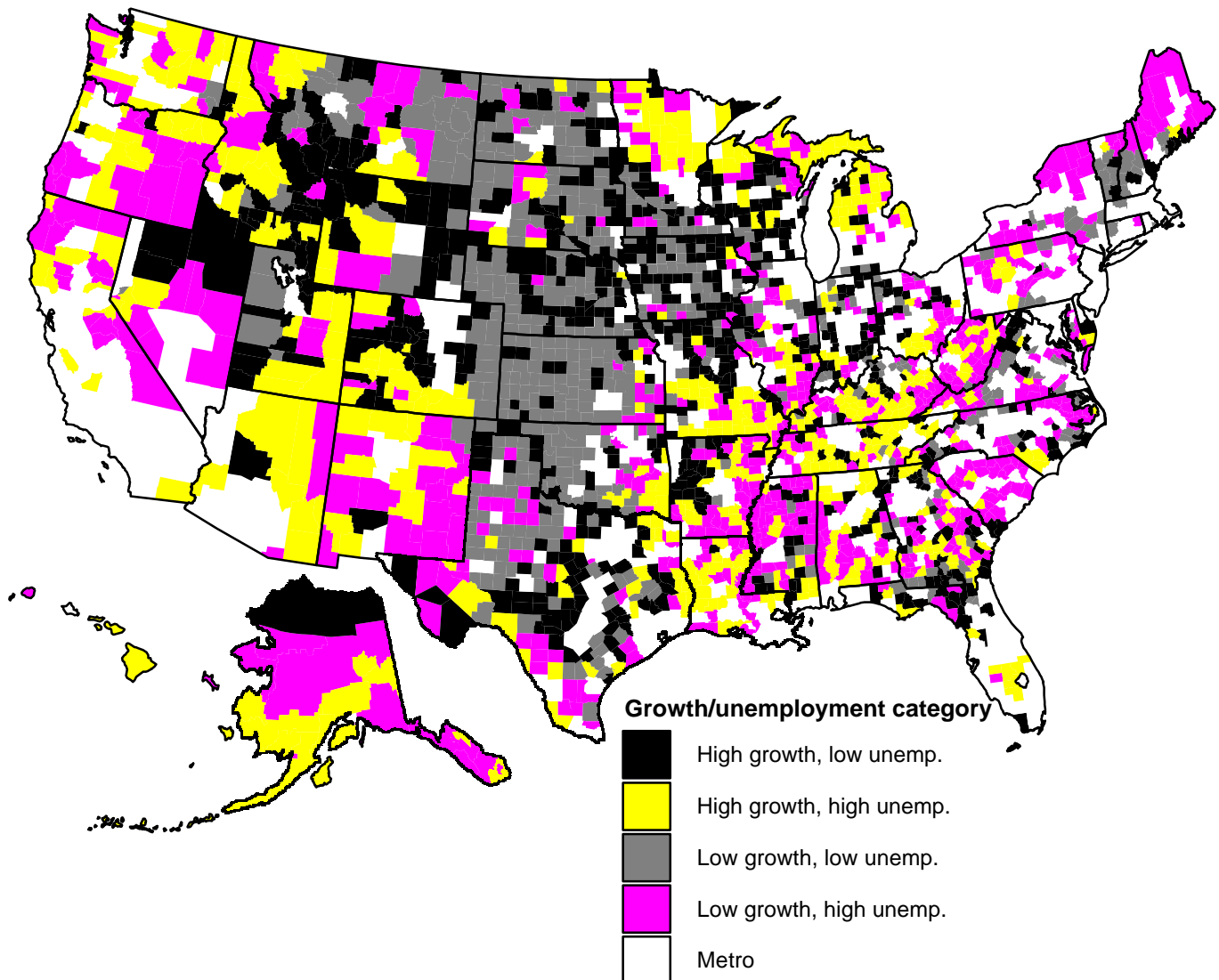
ment rates, while another 630 combined below-average growth rates and above-average unemployment rates for a consistent picture of weak employment conditions (table 1).

On the other hand, more than 1,000 counties (about 45 percent of the total), failed to fit either profile, instead combining high-employment growth with high unemployment, or low-employment growth with low unemployment. Nor were these sparsely populated, marginal counties; together they accounted for more than 41 percent of the nonmetro labor force. In addition, within the larger class of high-unemployment counties, the average unemployment rate was just about as high for those with high-growth rates as for those with low-growth rates; while among low-unemployment-rate counties, the unemployment rate for low-growth counties was only slightly higher than for high-growth counties.

Figure 1

Employment growth 1990-96 versus unemployment rate, 1996

Many areas of high employment growth are also areas of high unemployment



Note: low growth=up to 1.28 percent/year; high growth=over 1.28 percent/year; low unemployment=up to 5.67 percent; high unemployment=over 5.67 percent.

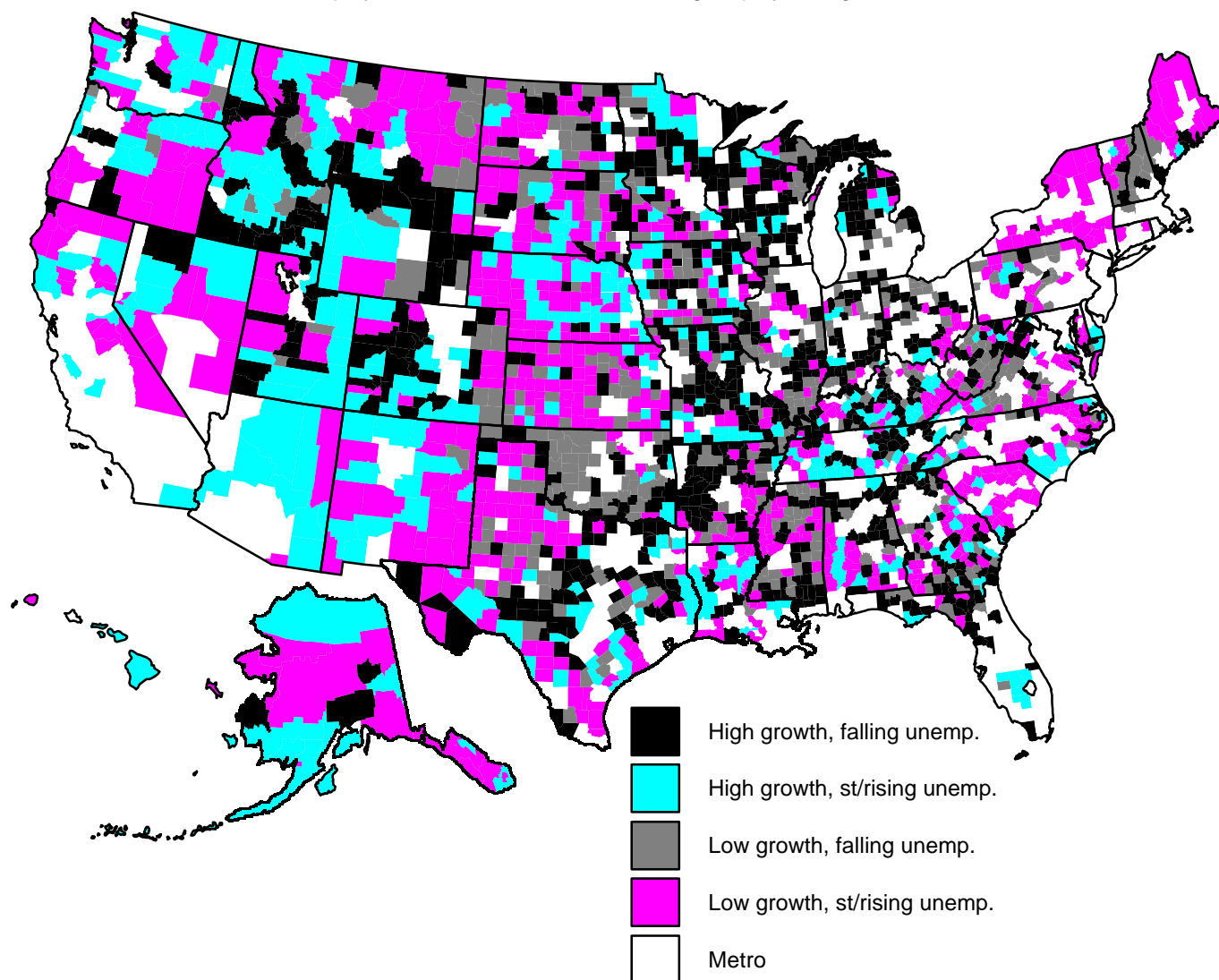
Source: Calculated by ERS from BLS Local Area Unemployment Statistics.

When 1990-96 employment growth rates are instead compared with the 1990-96 change in unemployment rate, we find that high rates of employment growth were accompanied by stable or rising unemployment rates in 436 counties, while another 429 counties combined low (or negative) rates of employment growth with declining unemployment. Together these two groups contain more than one-third of the nonmetro labor force (table 2). Thus, while the pattern that we might expect—faster employment growth associated with falling unemployment, and slow or negative employment growth found together with rising unemployment—does fit the majority of counties, it is far from universal. [Lorin Kusmin, 202-219-0550 (after October 24, 202-694-5429), lkusmin@econ.ag.gov]

Figure 2

Employment growth versus unemployment rate change, 1990-96

In some counties, unemployment rates rose even with strong employment growth



Note: Low growth=up to 1.28 percent/year; high growth=over 1.28 percent/year; falling unemployment=decline of 0.07 percentage points or more; stable/rising unemployment=decline less than 0.07 percentage points or increase.

Source: Calculated by ERS from BLS Local Area Unemployment Statistics.

Table 1

Nonmetro counties by growth-unemployment class

Many counties with high employment growth rates during the 1990's continue to have above-average unemployment rates

Type of county	Number of counties	Civilian labor force, 1996	Unemployment rate, 1996	Annual employment growth rate, 1990-96
		Thousands	Percentage points	Percent
High-employment growth, low-unemployment rate	625	8,331.7	4.04	2.63
Low- (or negative) employment growth, high unemployment	630	6,848.5	8.59	-0.03
High growth, high unemployment	526	6,481.1	8.58	2.51
Low growth, low unemployment	518	4,265.1	4.43	0.32
Total	2,299	25,926.4	6.44	1.47

Note: A few county-equivalents in Alaska have been excluded from this analysis because of boundary changes between 1990 and 1996.
Source: Calculated by ERS using Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

Table 2

Nonmetro counties by employment growth-unemployment change class

Many counties with high-employment growth rates during the 1990's nonetheless had stable or rising unemployment rates

Type of county	Number of counties	Civilian labor force, 1996	Change in unemployment rate, 1996	Annual employment growth rate, 1990-96
		Thousands	Percentage points	Percent
High-employment growth, falling unemployment rate	715	9,952.8	-1.52	2.62
Low-employment growth, stable or rising unemployment rate	719	6,780.6	1.62	-0.08
High-growth, stable or rising unemployment	436	4,860.0	1.49	2.50
Low-growth, falling unemployment	429	4,333.0	-1.26	0.40
Total	2,299	25,926.4	-0.09	1.47

Source: Calculated by ERS using Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

Nonmetro Multiple Jobholding Rate Higher than Metro

Multiple jobholding was higher in nonmetro areas than in metro areas in 1996. Low earnings forced many nonmetro workers to take more than one job to meet basic living expenses. However, nonmetro workers with high educational levels and well-paid jobs also had high rates of multiple jobholding.

In nonmetro areas 1.7 million workers held two or more jobs at the same time in 1996, a rate of 7.1 percent, according to data from the Current Population Survey (CPS). This compares with 6.3 million workers in metro areas (6.2 percent) for the same period. This is the first time metro and nonmetro multiple jobholding data have been available since 1991. Although CPS metro and nonmetro estimates prior to 1996 are not strictly comparable (see the article in the appendix on the redesign of the CPS), the nonmetro multiple job rate was 7.7 percent in 1989 and then fell to 7.4 percent in 1991. The metro rate was 6.0 percent in both 1989 and 1991.

During the 1980's, the multiple jobholding rate for the Nation increased significantly as an increased demand for labor and the need to make up for falling earnings pushed up the rate from 4.9 percent in 1980 to 6.2 percent in 1989. Most of this increase in multiple jobholding was among women. The number of women multiple jobholders doubled from 1.5 to 3.1 million between 1980 and 1989. Since 1989, the overall multiple jobholding rate has held steady around 6.2 percent.

CPS data from 1989 and 1991 show that the main reason given by nonmetro persons for working two or more jobs was financial. About 42 percent of nonmetro workers had two or more jobs in 1991 to meet household expenses or to pay off debts. This is little changed from 1989 when the share was 44 percent. Although the reason for working more than one job was not asked in 1996, data is available on multiple jobholding by earnings level. Nonmetro workers whose median weekly earnings were in the lowest quintile had the highest multiple jobholding rate (7.9 percent) (fig. 1). It is likely that low earnings is the reason that many nonmetro workers took on more than one job.

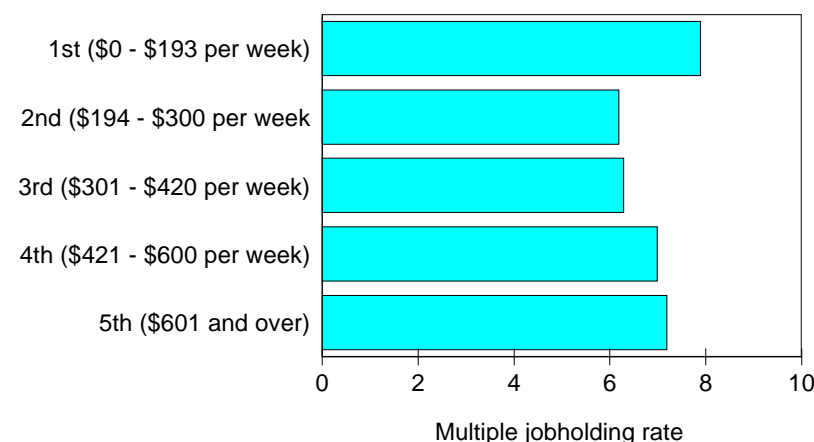
Multiple Jobholding Rate Highest Among College Graduates, Whites, and Ages 45 to 54

The percentage of nonmetro multiple jobholders increased with education (fig. 2). Only 3.8 percent of high school dropouts had multiple jobs, compared with 10.1 percent of workers with a 4-year college degree. Workers with high education levels may find it

Figure 1

Nonmetro multiple jobholding rate by earnings quintile

The multiple jobholding rate was highest in the 1st and 5th quintile earnings groups



Source: Calculated by ERS using data from the 1996 Current Population Survey.

easier to get a second job because they have more specialized skills and knowledge that are in demand. In addition, they may have a more flexible work schedule in their primary occupation, which gives them more time to work a second job. Workers with more education may also have financial reasons for moonlighting, although nonfinancial reasons may strongly affect their decision to work a secondary job. For example, a second job may provide experience needed to enhance a worker's primary occupation.

The multiple jobholding rate for nonmetro men was about the same as for women, 7.3 percent for men compared with 7.1 percent for women. Women comprised 46 percent of all nonmetro multiple jobholders. In metro areas, men and women also had about the same multiple jobholding rate, 6.0 percent for men compared with 6.1 percent for women.

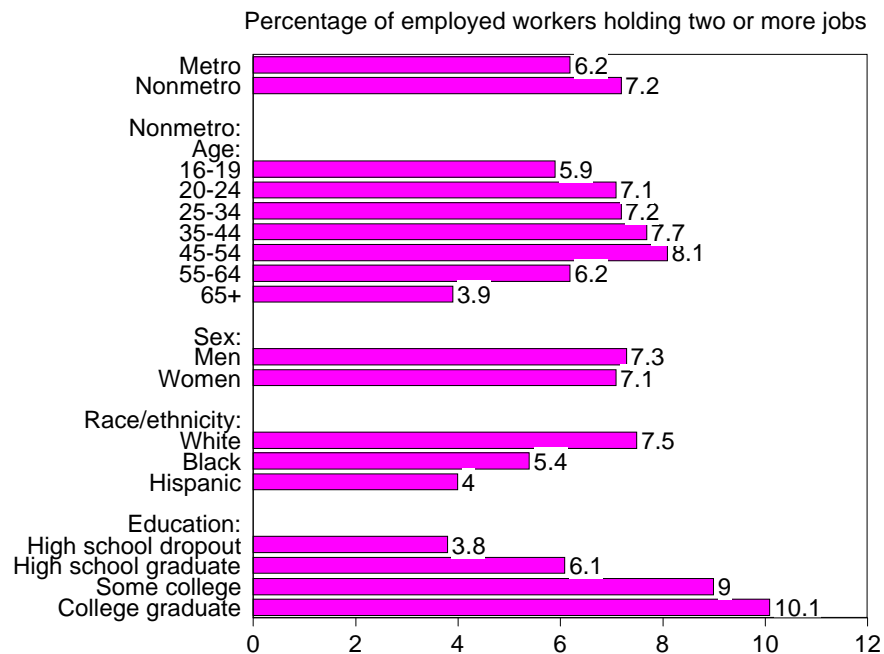
The moonlighting rate for nonmetro Whites was 7.5 percent, followed by Blacks at 5.4 percent, and Hispanics at 4.0 percent. Although Whites had the highest multiple jobholding rate, the average number of hours actually worked at all jobs among White multiple jobholders was a bit lower than for both Blacks and Hispanics: 49.6 hours per week compared with 50.9 hours for Blacks and 50.3 hours for Hispanics (appendix table 5).

The highest multiple jobholding rate was 8.1 percent for nonmetro workers ages 45 to 54. The multiple jobholding rate increased with each age group up to those workers 45 to 54 and then declined. The multiple jobholding rate for teenagers was 5.9 percent, followed by workers ages 20 to 24 at 7.1 percent, ages 25 to 34 at 7.2 percent, and those ages 35 to 44 at 7.7 percent. Metro areas, in contrast, showed workers ages 20 to 24 years with the highest multiple jobholding rate (6.8 percent), while those ages 25 to 34 and 35 to 44 were the same (6.5 percent). The lowest multiple jobholding rate among primary age workers was the 45- to 54-age group (6.3 percent) in metro areas.

Figure 2

Multiple jobholder rates by selected characteristics, 1996

Nonmetro multiple jobholding was slightly higher than metro



Source: Calculated by ERS using data from the Current Population Survey.

Professional Specialty Occupations Have Highest Multiple Jobholding Rate

Nonmetro workers whose primary occupations—the primary occupation is the one that the worker worked the most hours—are in professional specialty fields were the most likely to hold more than one job. Many of these occupations have flexible work schedules, or time off, which allows workers to take on other jobs. Nonmetro elementary and secondary school teachers were the most likely to hold a second job, with a rate of 12.1 percent. Teachers also accounted for the largest number of nonmetro multiple jobholders. Other professional specialty occupations such as health assessment and treatment (9.4 percent), technicians (11.2 percent), and college and university teachers (10.2 percent), had high multiple jobholding rates. Nonmetro workers in administrative support (7.7 percent), and police and firefighters (10.3 percent) also had high rates of multiple jobholding.

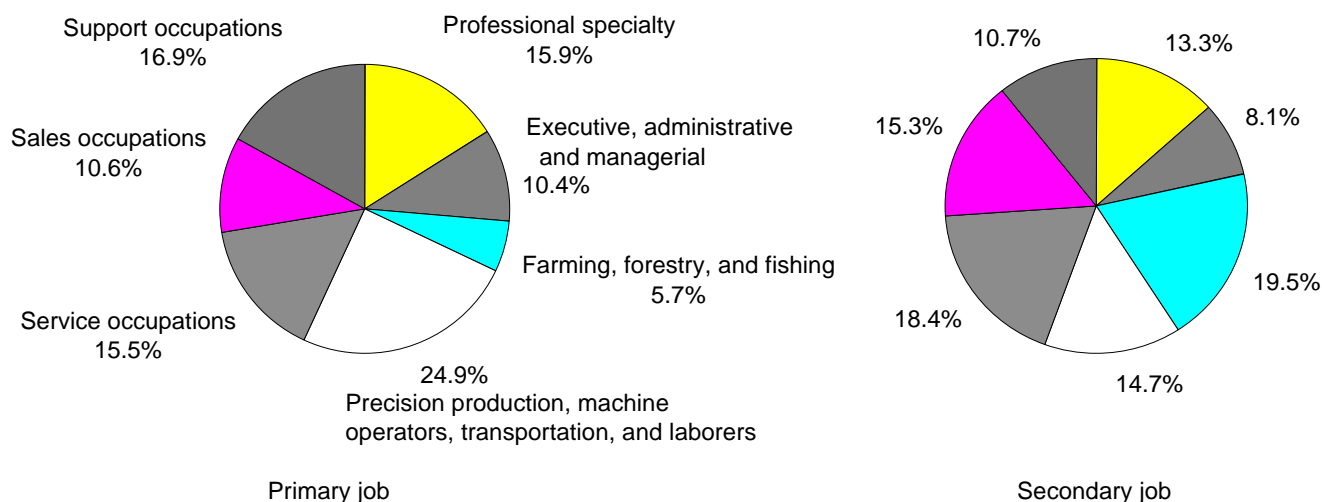
Most nonmetro workers took a secondary job in the same occupation, or in a field related to their primary job (fig. 3). The primary occupation with the highest percentage of multiple jobholders was precision production, machine operators, transportation, and laborers (24.9 percent). This group was followed by support occupations (16.9 percent), and professional specialty workers (15.9 percent). However, the largest percentage of secondary jobs was in farming (19.5 percent), services (18.4 percent), and sales (15.3 percent). Many of these secondary occupations are seasonal or low-paying jobs that supplement earnings to meet basic living expenses. Professional specialty occupations accounted for 13.3 percent of secondary jobs.

A large proportion of nonmetro workers, especially in blue collar occupations, were employed in farming, forestry, and fishing as their second job. Farming was the most common second job for multiple jobholders in protective service (20.0 percent); precision production and craft (41.7 percent); machine operators and assemblers (22.8 percent); transportation (36.7 percent); and handlers, cleaners, helpers, and laborers (32.7 percent).

Figure 3

Primary and secondary occupations for nonmetro multiple jobholders, 1996

The highest percentage of secondary jobs were in farming, forestry, and fishing occupations



Source: Calculated by ERS using data from the Current Population Survey.

Northern Plains Have the Highest Rates of Multiple Jobholding

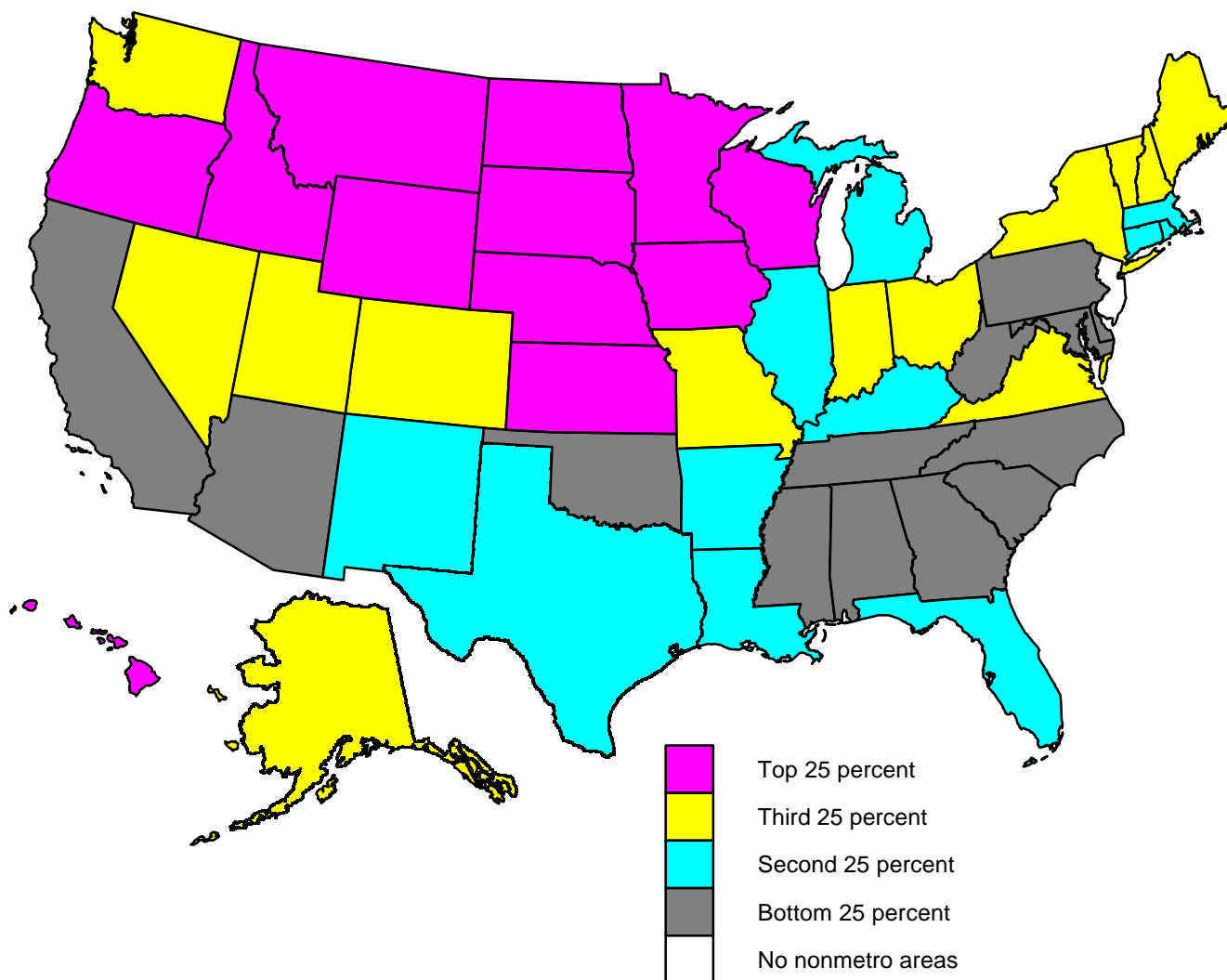
The highest nonmetro multiple jobholding rates were among the Northern Plains States (fig. 4). The multiple jobholding rate in these States was higher across all major occupational and demographic categories; a high proportion of low-paid seasonal agricultural jobs contributed to the high rate. Many of these States have high proportions of low-wage jobs, in addition they also have low rates of immigration, creating conditions that might push up the multiple jobholding rate. The highest rates were found in Minnesota (11.7 percent), Wisconsin (11.5 percent), Nebraska (10.8 percent), Montana (10.5 percent), Kansas (10.5 percent), Iowa (10.0 percent), and South Dakota (10.0 percent).

The States with the lowest nonmetro multiple job rates were concentrated in the South. South Carolina had the lowest rate at 2.9 percent, followed by Arizona (3.1 percent), Tennessee (4.3 percent), and Georgia (4.4 percent). [Timothy S. Parker, 202-219-0541 (after October 24, 202-694-5435), tparker@econ.ag.gov]

Figure 4

Nonmetro multiple jobholder rate, 1996

Multiple jobholding is highest in the Northern Plains



Source: Calculated by ERS using data from the Current Population Survey.

Rural Earnings Edge Up in the 1990's

Rural real earnings rose slightly during 1990-96, a welcome change from falling earnings in the 1980's. Earnings change varied by region, with only the Midwest and South showing gains overall. Gains were widespread among many demographic groups, however, and especially among women. Overall, wage inequality has lessened slightly during the 1990's.

Real weekly earnings for rural wage and salary workers rose 1.8 percent between 1990 and 1996, from \$413 to \$420, according to data from the Current Population Survey (CPS). (All amounts are reported in 1996 dollars, deflated with the CPI-U price index.) The rise, while modest, contrasts sharply with a substantial decline in rural real earnings during the 1980's. Earnings for the United States as a whole were flat over the 1990-96 period, as real urban earnings fell slightly by 0.8 percent, from \$535 to \$530. Average weekly earnings for rural wage and salary workers in 1996 were 79 percent of the average weekly earnings for comparable urban workers, up 2 percentage points since 1990. The rural earnings upswing is yet another sign of the turnaround in rural economic conditions seen in the 1990's.

Data from the 1990 and 1996 Current Population Surveys are not strictly comparable, but the differences are unlikely to have fundamentally affected the earnings trends reported here. For more details on changes in the CPS during this period, see the appendix.

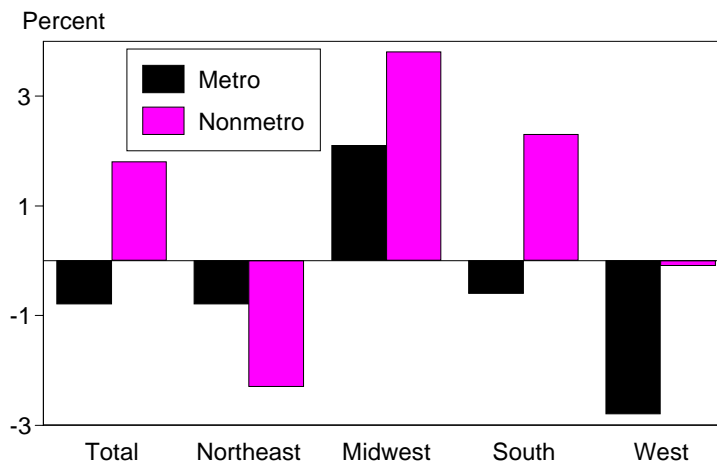
Earnings Growth Evident in the Midwest and South

The rural components of two of the four major Census regions posted gains in average weekly earnings during the 1990's, while real earnings in the urban portions of three regions declined (fig. 1). The rural Midwest enjoyed a 3.8-percent increase, to \$421, followed by the rural South with a 2.3-percent gain (to \$406). Meanwhile, earnings fell in the rural Northeast, although wages there are still the highest of the four regions (\$449), and earnings in the rural West were unchanged (\$439). The reasons for earnings stagnation in these two regions are probably quite different. The rural West has experienced relatively high levels of unemployment, partly due to high immigration rates. Unemployment in the rural Northeast has been slightly lower than in the West in the past few years, but the region has added few new jobs, indicating sluggish demand. The rural Northeast is the only rural region that did not outperform its urban counterpart (see table 1 for dollar amounts).

Figure 1

Average weekly earnings change by region, 1990-96

Earnings in the nonmetro Midwest grew faster than in other regions



Source: Calculated by ERS using data from the 1990 and 1996 Current Population Survey.

Rural Women Lead in Widespread Gains across Demographic Groups

Gains were registered by nearly all segments of the rural workforce (table 1). Earnings growth rates were somewhat higher for Blacks and Hispanics than for Whites. The urban-rural differences for Blacks and Hispanics were notable, with declines in urban areas (-1.2 and -4.2 percent, respectively) and increases in rural areas (3.1 and 3.9 percent). While rural men saw no improvement, earnings gains were substantial for rural women (6.2 percent), who now have more schooling on average than rural men, and who continue to move into high-paying occupations more quickly. Real weekly earnings fell slightly for younger rural workers, but the decline was much smaller than among young urbanites.

Earnings Decline for Urban, but not Rural, High School Dropouts

The 1990's, like the previous decade, saw rising returns to college and advanced degrees for all workers ages 25 and older. The stories are quite different, however, for the rural and urban labor force. Real earnings for rural workers at all education levels rose modestly between 1990 and 1996, without the sharply rising returns to education observed in the 1980's (fig. 2). Meanwhile, the national trend toward higher returns continued, and was driven by changes in urban wage patterns. Urban workers who are not high school graduates experienced an 11.2-percent decline in real earnings, as workers with advanced degrees registered small increases. The large difference in outcomes for rural and urban workers without a diploma reflects several factors. Urban areas were hit harder by the 1990-91 recession, and its effects on the workforce lasted longer in urban than in rural labor markets. Since recessionary effects are often most acute among those with the least skills and education, the urban low-skill workforce was placed in "double jeopardy" during the early 1990's. In addition, immigration increased the relative supply of urban low-skill labor, and may have dampened wage pressures among both those without a diploma and younger workers as noted above.

Table 1

Average weekly earnings for selected groups, 1990 and 1996

The earnings of rural women rose, but fell slightly for men and the youngest workers

	Nonmetro			Metro			Nonmetro-metro ratio	
	1990	1996	Change	1990	1996	Change	1990	1996
	1996 dollars		Percent	1996 dollars		Percent	Percent	
Total	413	420	1.8	535	530	-0.8	77.2	79.2
Region:								
Northeast	460	449	-2.3	566	561	-0.8	81.3	80.0
Midwest	405	421	3.8	522	533	2.1	77.6	79.0
South	397	406	2.3	504	501	-0.6	78.8	81.0
West	439	439	-0.1	558	542	-2.8	78.7	81.0
Blacks	314	324	3.1	429	424	-1.2	73.2	76.4
Hispanics	320	333	3.9	407	390	-4.2	78.6	85.4
Whites	422	429	1.5	549	547	-0.5	76.9	78.4
Men	501	499	-0.5	637	622	-2.4	78.6	80.2
Women	314	333	6.2	420	431	2.6	74.8	77.3
Age:								
16-24	226	222	-1.8	273	247	-9.4	82.8	89.9
25-60	462	471	1.9	599	591	-1.3	77.1	79.7
over 60	348	355	2.0	476	470	-1.3	73.1	75.5

Note: Hispanics may be of any race.

Source: Calculated by ERS using data from the Current Population Survey earnings files.

The urban decline significantly narrowed the rural-urban earnings gap for workers without a diploma by 1996 (\$326 rural vs. \$339 urban). Once cost-of-living differences are accounted for, these workers may now find their purchasing power to be as high in rural as in urban areas, a possibility consistent with recent evidence that rural areas are gaining workers without a diploma through interregional migration. Growth in earnings for college graduates is also higher in rural than in urban areas. This is a welcome change from the 1980's, because rising urban wage premiums for college graduates were largely responsible for high rural outmigration rates among that group. As the urban-rural differences diminish, the transfer of human capital from rural to urban areas experienced in the 1980's should decline and perhaps reverse.

Wage Inequality Lessens in Rural Areas

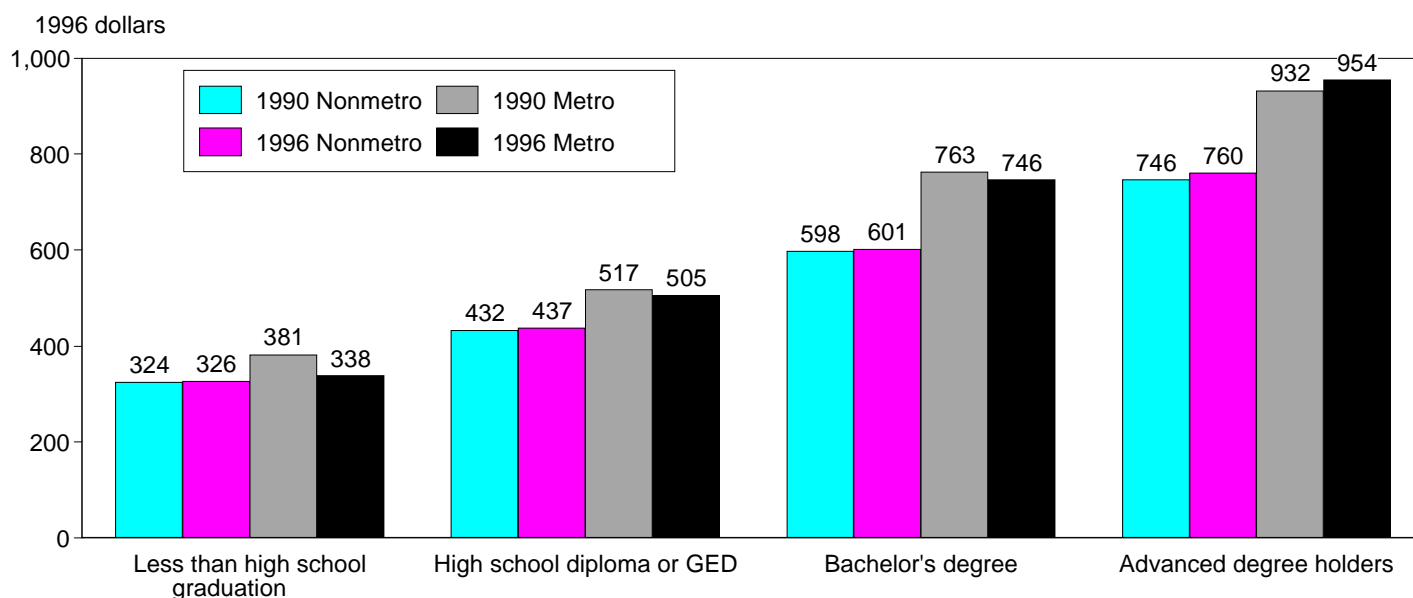
During the 1980's, wage inequality increased as real wages fell. In rural areas, this trend appears to have stopped. The variation in weekly earnings, measured by the spread between the best-paid and least-paid workers, dropped between 1990 and 1996 (table 2). The 10th percentile wage, which is the wage such that only 10 percent of all workers earn less than that amount, can represent low earnings. Similarly, the 50th percentile wage is a measure of typical earnings and the 90th percentile high earnings.

The earnings ratio of rural workers at the 90th earnings percentile to those at the 50th percentile remained about the same from 1990 to 1996. A slight decrease, however, was registered in the ratio of 50th percentile to 10th percentile workers, and thus, in the 90th-to-10th percentile ratio as well. In contrast, inequality in urban areas is greater than in rural areas, and has increased during the 1990's. The rural-urban difference is primarily a consequence of relatively high earnings among the best-paid urban workers. [Robert Gibbs, 202-501-7975 (after October 24, 202-694-5423), rgibbs@econ.ag.gov]

Figure 2

Average weekly earnings by education, ages 25 and over

Metro and nonmetro high school dropouts had similar earnings by 1996



Note: "High school diploma or GED" includes workers who attended college, but did not complete a 4-year degree.

Source: Calculated by ERS using data from the 1990 and 1996 Current Population Survey earnings files.

Table 2

Usual weekly earnings at select percentiles*Wage inequality dipped slightly between 1990 and 1996 for rural, but not urban, workers*

	Nonmetro		Metro	
	1990	1996	1990	1996
	1996 dollars			
Percentiles:				
10th	114	119	149	142
50th	355	355	450	423
90th	769	769	1,008	1,018
Ratios:				
90:50	2.17	2.17	2.24	2.40
50:10	3.11	2.97	3.02	2.99
90:10	6.75	6.44	6.77	7.18

Source: Calculated by ERS using data from the Current Population Survey earnings files.

Rural Median Household Income Increases

Inflation-adjusted income to the average rural household increased almost 3 percent from 1994 to 1995. Rural median household income is highest in the Northeast and lowest in the South. Rural minorities and female-headed families continue to have very low incomes.

Inflation-adjusted median household income rose 2.9 percent in rural America from 1994 to 1995 to stand at \$27,776 (fig. 1). This, along with a slight increase in the previous year, ended nearly a decade of stagnant or declining income for the average rural household. In urban areas, median income increased 2.4 percent to \$36,079 from 1994 to 1995. The faster income growth in rural areas closed the rural-urban income gap slightly, but rural median household income remains about 23 percent below that of urban areas.

Incomes of Rural Minorities and Rural Women Are Far Below the Rural Average

The median income of rural Black households was \$16,530, just 56.2 percent of the median for rural non-Hispanic White households (table 1). The Black-White gap in rural incomes has closed slowly since 1989, when Black median household income was only 50.6 percent that of non-Hispanic Whites. Rural Hispanic households also have incomes below the rural average, although not as markedly as do Black households. In 1995, median household income of rural Hispanics was \$21,322, which was 72.5 percent of that for non-Hispanic Whites. The rural-urban difference for Hispanic households was much less than that for other race-ethnic groups—only 7.7 percent.

Women living alone or heading families face economic challenges in rural as well as in urban areas. In rural America, median household income for female-headed families was less than half that for two-parent families (46.3 percent). Median income for rural women living alone was \$12,220, about 60 percent that of rural men living alone.

Rural Income Highest in the Northeast, Lowest in the South

Rural households in the Northeast have the highest incomes, followed by the Midwest, the West, and the South (table 1). The South also has the greatest rural-urban difference, with the rural median about 24 percent below the urban median. The regional differences in rural income are substantial even though they have declined in recent years. In 1989, median household income in the rural Northeast was 30.8 percent higher than that in the rural South. This gap declined to 23.1 percent by 1995 as rural income grew more rapidly in the South and less rapidly in the Northeast than it did in the other two regions. [Mark Nord, 202-219-0554 (after October 24, 202-694-5433), marknord@econ.ag.gov]

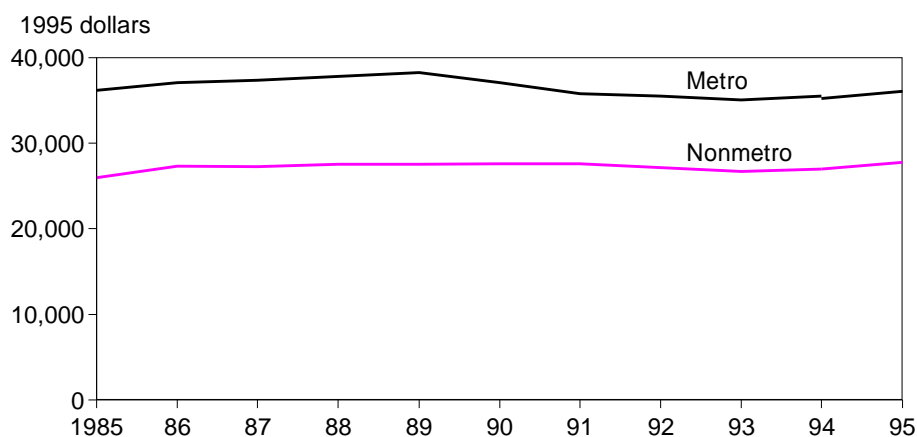
Changes in Metropolitan Classification Affect Income Trends

Trends in nonmetropolitan income statistics can be biased by periodic changes in the metropolitan classification of counties. Changes in metropolitan classification based on the 1990 census were first reflected in the Current Population Survey income statistics in 1994 (see appendix for a description of the Current Population Survey). The Census Bureau published median household income estimates based on both the old and new classifications in 1994 to provide continuity in the data series. As reflected in figure 1, the discontinuities introduced by the reclassification this decade were negligible.

Figure 1

Median household income 1985-95

Income of the average nonmetro household increased nearly 3 percent in 1995, but continued to fall 23 percent below that of the average metro household



Note: Change of metro status of some counties caused a discontinuity in the data in 1994.

Source: Prepared by ERS using data from the Bureau of the Census' Consumer Income P-60 series (1985-95).

Table 1

Median household income in 1995 by residence, region, and selected characteristics

Incomes of rural minorities and rural women are much lower than the rural median

Category	Nonmetro	Metro	Nonmetro-metro gap ¹
	Dollars		Percent
Total	27,776	36,079	23.0
Race/ethnicity:			
White non-Hispanic	29,392	40,342	27.1
Black	16,530	23,348	29.2
Hispanic	21,322	23,090	7.7
Household composition:			
Two-parent family	37,075	51,023	27.3
Female-headed family	17,182	22,478	23.6
Female living alone	12,220	16,974	28.0
Male living alone	20,188	27,433	26.4
Region: ²			
Northeast	30,949	36,919	16.2
Midwest	30,428	38,392	20.7
South	25,125	33,120	24.1
West	28,805	37,359	22.9

¹Percent by which nonmetro income is lower than metro.

²See appendix for description of regions.

Source: Prepared by ERS using data from the March 1996 Current Population Survey.

Nonmetro Personal Income Increases in the 1990's

Nonmetro median personal income has increased in real terms in the 1990's and is closing the gap between metro and nonmetro medians.

Median personal income, adjusted for inflation, of people age 25 to 65 with positive personal income, has increased since 1993 (table 1) according to the March Current Population Survey. Both metro and nonmetro real personal income lost ground during the 1990-91 recession, and during 1992 and 1993 as well. But by 1995, real median personal income in nonmetro areas surpassed the level attained in 1990, whereas metro real median personal income has yet to attain its pre-recessionary level. In 1993, the median personal income of people living in nonmetro areas was \$16,786 (1995 dollars). By 1995 it had grown to \$17,933, above the \$17,200 of 1990. The metro median was \$22,034 in 1993 and \$22,915 in 1995, but still below 1990's \$23,165.

Median personal income in nonmetro areas still is well below the metro median. Looking back to 1963, nonmetro median personal income was only 66 percent of metro personal income (fig. 1). Over the 1970's, nonmetro personal income gained ground on the metro median so that by 1979, it was up to 83 percent of the metro median. But that success did not last. The recessions of 1980-82 and the several years following were harder on nonmetro areas than metro areas, which is shown in a number of economic indicators, including personal income. The nonmetro personal income median slipped to only 72 percent of the metro median in 1986, recovering to 78 percent by 1995. In the 1980's, there were many changes in the labor market that affected personal income, and they may have affected nonmetro personal incomes differently. Nonmetro areas have had disproportionately more workers who were part-time for economic reasons—part-time workers who work desired full-time jobs but none were available. The 1980's saw a favorable change in the earnings of white-collar workers by comparison to those of blue-collar workers. White-collar work is concentrated in metro areas. See table 2 for the upward trend in the nonmetro/metro medians ratio in the 1990's.

Among longer term influences fostering convergence between the nonmetro and metro medians is the rapid rise of educational attainment among Americans living in both metro and nonmetro areas. The proportion of people age 25 to 65 with some income who are not high school graduates has decreased steadily in the last third of the century in nonmetro areas as well as metro, while the proportion with at least some college education has increased steadily in both areas (fig. 2).

Table 1
Median personal income
Median nonmetro personal income up since 1990

Year	Current dollars		1995 dollars	
	Nonmetro	Metro	Nonmetro	Metro
1990	14,850	20,000	17,200	23,165
1991	15,330	20,060	17,040	22,298
1992	15,740	20,801	16,936	22,382
1993	16,006	21,010	16,786	22,034
1994	17,000	22,000	17,404	22,523
1995	17,933	22,915	17,933	22,915

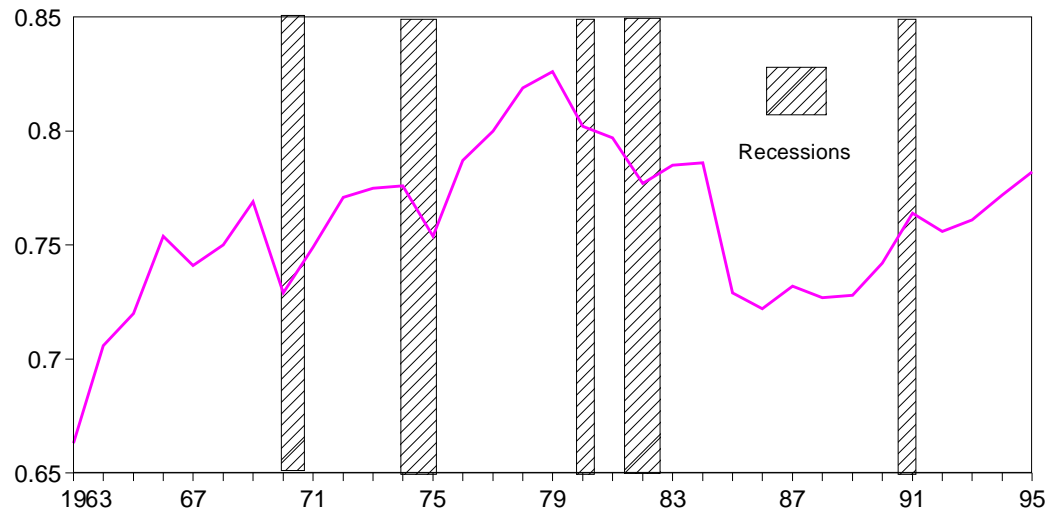
Note: Includes only people age 25 to 65 with positive personal income. The CPS was redesigned in 1994 so 1995 data are not directly comparable (see appendix on CPS redesign). Real median income uses the Personal Consumption Expenditure price index from Bureau of Labor Statistics.
Source: Current Population Survey, March Supplements.

Figure 1

Ratio of nonmetro-to-metro median personal annual income

Nonmetro median income decreased more than metro median in recessions prior to 1990-91, but is again headed toward parity

Ratio of nonmetro-to-metro median annual personal income



Note: In 1973, 1985, and 1995, the metro/nonmetro classification based on the previous census was incorporated in the data.

Source: Current Population Survey, March Supplements.

Table 2

Ratio of nonmetro median personal income to metro median

The nonmetro median is up relative to the metro median since 1990

Year income received	Ratio of nonmetro-to-metro median
	Percent
1990	74.3
1991	76.4
1992	75.7
1993	76.2
1994	77.3
1995	78.3

Note: Includes only people age 25 to 65 with positive personal income.

Source: Current Population Survey, March Supplements.

Median incomes at given levels of education have yet to exceed the levels they had attained before the 1990-91 recession (table 3). This means that education attainment levels among nonmetro individuals made an important contribution to the rise of non-metro median personal income above its pre-recessionary level.

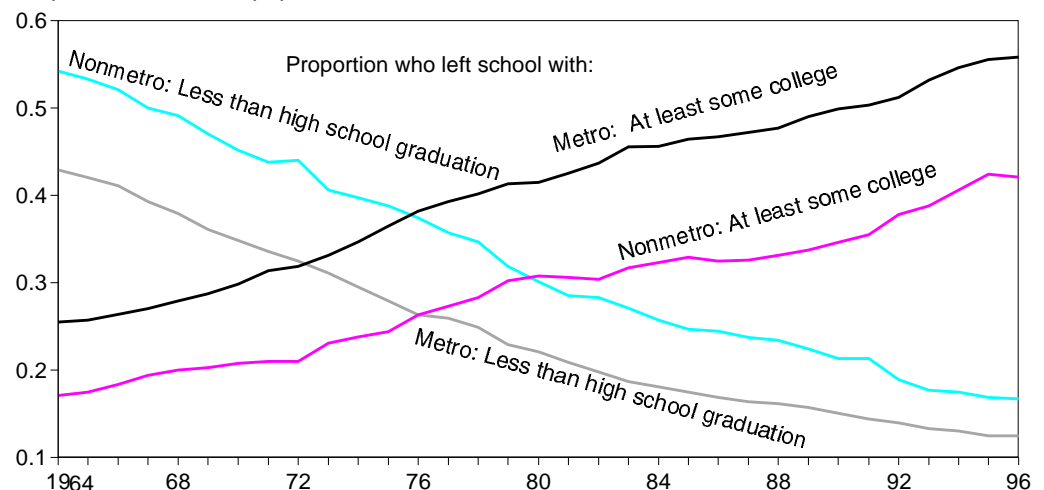
The nonmetro-to-metro median ratio varies by education level (table 3). People without a high school diploma have median incomes that are low and of about the same size regardless of whether their residence is nonmetro or metro. In the case of people with a high school diploma and those with at least some college, nonmetro median incomes are lower than metro median incomes. [Jack Angle, 202-501-7866 (after October 24, 202-694-5415), jangle@econ.ag.gov]

Figure 2

Nonmetro and metro education attainment, 1964-96

Metro education levels are higher than nonmetro, but they move closely together over time

Proportion of relevant population



Note: In 1973, 1985, and 1995, the metro/nonmetro classification based on the previous census was incorporated in the data.

Source: Current Population Survey, March Supplements.

Table 3

Median personal income by level of education

Nonmetro median personal income was much lower than metro except for those without a high school diploma, whose incomes are roughly comparable

Year	Less than high school graduation		High school diploma or GED		At least some college	
	Nonmetro	Metro	Nonmetro	Metro	Nonmetro	Metro
1995 dollars						
1990	10,424	11,785	16,389	19,458	23,746	30,348
1991	10,113	11,116	16,007	19,036	23,813	30,046
1992	9,899	10,760	16,140	18,744	22,811	30,034
1993	9,644	10,487	15,994	18,353	23,072	29,365
1994	10,234	10,647	15,971	18,633	23,424	29,280
1995	10,361	10,959	16,323	18,933	23,400	29,889

Note: While at a given level of education, none of the 1995 medians are higher than the corresponding 1990 medians, education levels among non-metro people increased enough to allow the overall nonmetro 1995 median of personal income to be higher than the 1990 median.

Source: Current Population Survey, March Supplements.

Rural Poverty Rate Edges Downward

The rural poverty rate declined slightly during 1993-95 after increasing during the early 1990's. The poverty rate remains highest in the rural South, and rural minorities, women, and children are especially disadvantaged economically.

The poverty rate in rural America stood at 15.6 percent in 1995. It declined slightly in each of the previous 2 years, and although the declines were slight, they suggest that the upward trend of rural poverty since 1989 has stopped or reversed (fig. 1). The urban poverty rate also declined slightly to 13.4 percent. The poverty gap of 2.2 percentage points between rural and urban areas has remained almost constant since 1991.

A Disproportionate Share of Rural Residents Have Incomes Just Above the Poverty Line

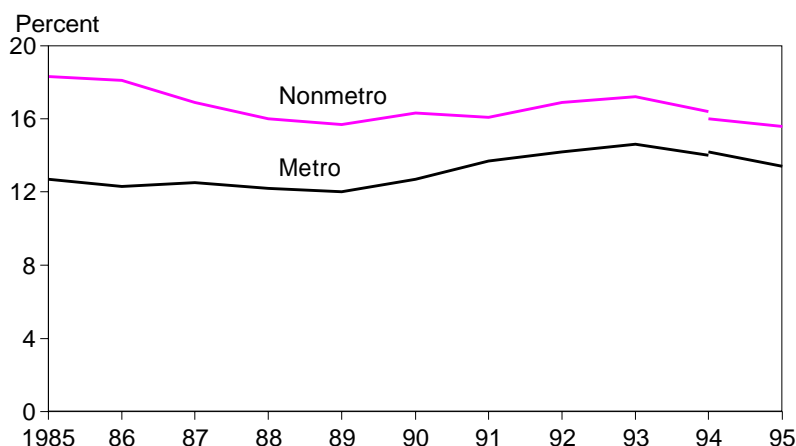
In rural areas, 26.3 percent of residents live in households with income between one and two times the poverty line, compared with 18.2 percent in urban areas (fig. 2). Continued favorable economic trends are especially important to these households because they are vulnerable to downturns in the national or regional economies. They are also vulnerable to personal or family economic setbacks. The large proportion of families with incomes just above the poverty line makes the rural poverty rate quite sensitive to national and regional economic changes.

Rural Minorities Are Especially Disadvantaged Economically

The poverty rates among rural Blacks (34.8 percent) and rural Native Americans (35.6 percent) were almost three times that of rural non-Hispanic Whites (12.2 percent; fig. 3). The economic disadvantage of rural Hispanics was also substantial, evidenced by a poverty rate of 30.6 percent. Rural poverty rates were substantially higher than urban poverty rates for all racial-ethnic groups except Hispanics. Despite the higher incidence of poverty among minorities, almost two-thirds of the rural poor were non-Hispanic Whites because of the large White majority in the rural population (appendix table 6). Differences in education levels account for only about one-third of the Black-White and Hispanic-White poverty differentials, and about one-fifth of the Native American-White poverty difference.

Figure 1
Poverty rate by residence, 1985-95

The poverty rate in nonmetro counties declined in 1994 and 1995 after a generally increasing trend during the early 1990's



Note: Change of metro status of some counties caused a discontinuity in the data in 1994.

Source: Prepared by ERS using data from the Bureau of the Census' Consumer Income P-60 series (1985-95).

Almost One-Quarter of the Children in Rural America Live in Poverty

In 1995, 3.2 million rural children under the age of 18 lived in families with incomes below the poverty level. The poverty rate for rural children was 22.4 percent. The majority of rural poor children (59.9 percent) lived in single-parent families, most (55.4 percent) in female-headed families. For rural Black children, who face the combined economic disadvantages of rurality, race, and childhood, the poverty rate was 47.6 percent.

The poverty rate among the rural elderly (age 65 and above) was 13.1 percent. This was substantially higher than the poverty rate of the urban elderly (9.7 percent), and essentially the same as that of rural working-age persons. Well over half of the elderly rural poor (57.3 percent) were women living alone.

Poverty Higher in Female-Headed Families

Rural women heading families or living alone experience particularly serious economic disadvantages. Although a large majority of the total rural population (69.2 percent) lived in two-parent families, over half of the rural poor lived in families headed by women with no husband present or were women living alone. In 1995, the poverty rate for people living in rural female-headed families was 39.9 percent, and that for rural women living alone was 31.3 percent. By comparison, the poverty rate in rural two-parent families was only 8.3 percent while that for rural men living alone was 22.4 percent.

Employment Status of the Rural Poor

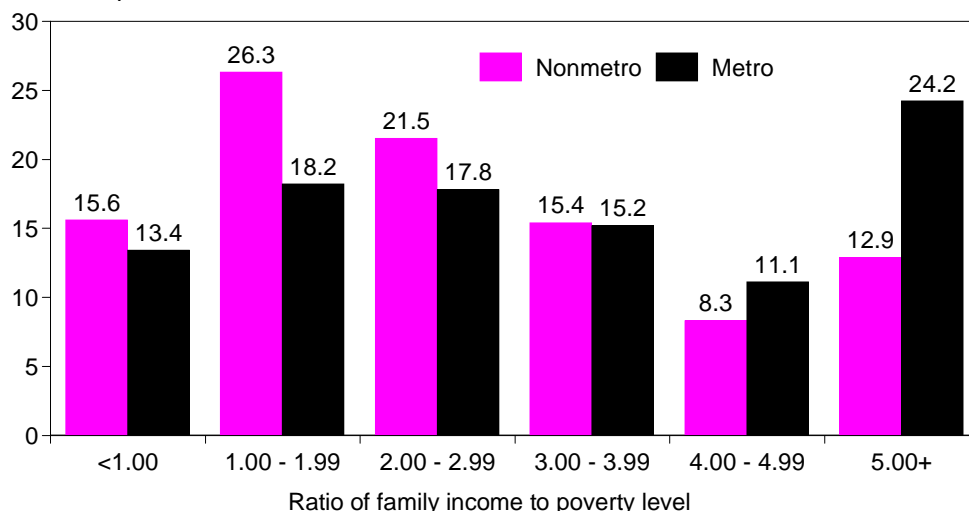
More than 60 percent of the rural poor were in families with at least one working member or, if living alone, were themselves employed at least part of the year. That proportion increased to nearly 70 percent when families with no working-age adults were excluded. Moreover, 23 percent of the rural poor were either in families with one or more full-time workers or were full-time workers living alone. Working poverty is somewhat more prevalent in rural than in urban areas, reflecting the higher proportion of low-wage jobs in rural areas. Among families with full-time workers and full-time workers living alone, the poverty rate was 5.6 percent in rural areas compared with 4.2 percent in urban areas (see appendix table 6).

Figure 2

Distribution of persons by ratio of family income to poverty level, 1995

Compared with urban areas, a disproportionate share of the rural population live in families with incomes just above the poverty line

Percent of persons



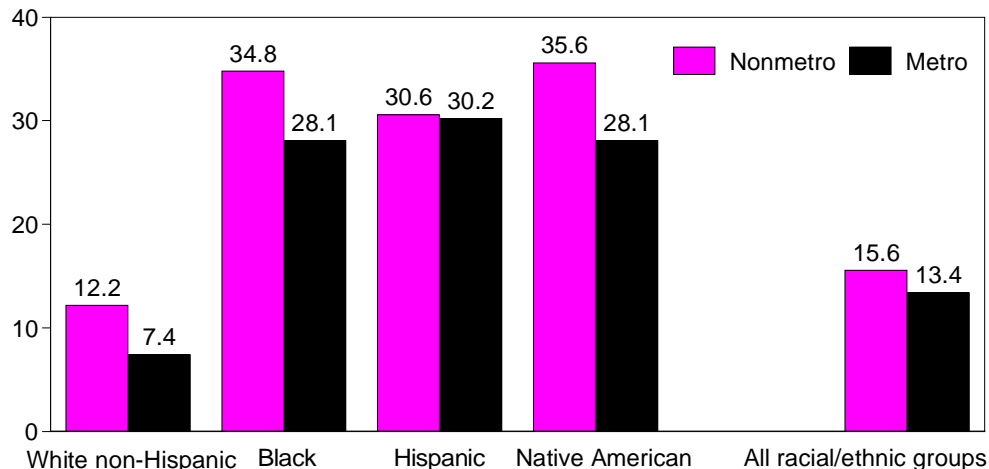
Source: Prepared by ERS based on data from the March 1996 Current Population Survey.

Figure 3

Poverty rates by race/ethnicity and residence, 1995

Rural minorities experience the highest poverty rates--about three times those of non-Hispanic Whites

Percent



Source: Calculated by ERS using data from the March 1996 Current Population Survey.

Changes in Metropolitan Classification Affect Poverty Trends

Trends over time in nonmetropolitan poverty statistics are complicated by periodic changes in the metropolitan classification of counties. The largest reclassification occurs once each decade based on population information from the decennial census. Changes based on the 1990 census were first reflected in the poverty statistics for 1994 (see appendix for description of the Current Population Survey data on which these statistics are based). For 1994, the Census Bureau published poverty rates based on both the old and new classifications in order to provide continuity in the data series, and this is reflected in figure 1. The poverty statistics in last year's *Rural Conditions and Trends* were based on the 1980's classification, so they cannot be compared directly with the 1995 statistics reported here.

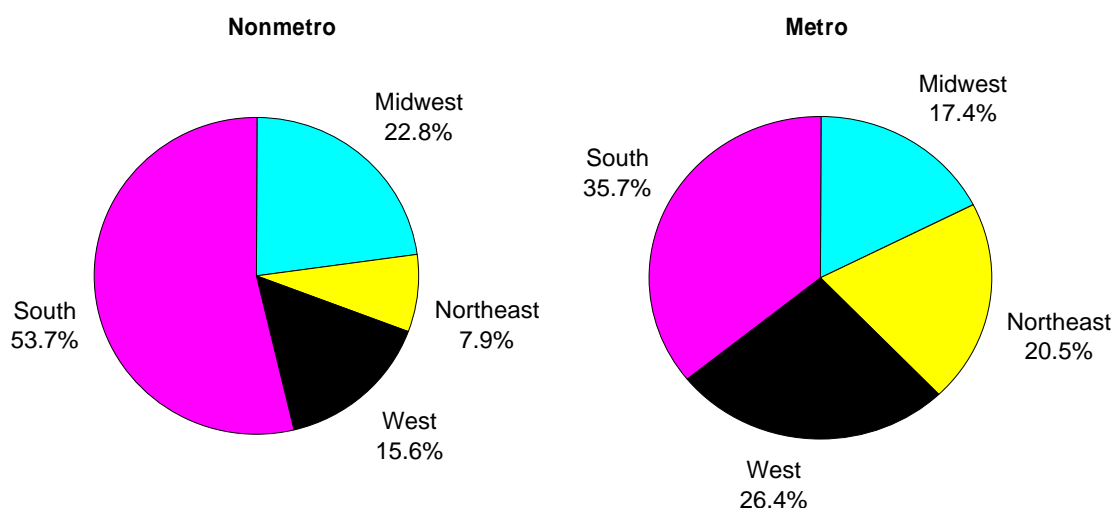
Most Rural Poor Live in the South

Over half of the rural poor (53.6 percent) live in the South (fig. 4; see appendix for definition of regions). The poverty rate in the rural South, at 19.2 percent (fig. 5), was substantially higher than that in the rest of rural America, and only in the South was the rural poverty rate dramatically higher than the corresponding urban poverty rate. Rural poverty rates were 16.5 percent in the West, 11.6 percent in the Midwest, and 11.3 percent in the Northeast. [Mark Nord, 202-219-0554 (after October 24, 202-694-5433), marknord@econ.ag.gov]

Figure 4

Regional shares of nonmetro and metro poor, 1995

More than half of the nonmetro poor live in the South Census Region

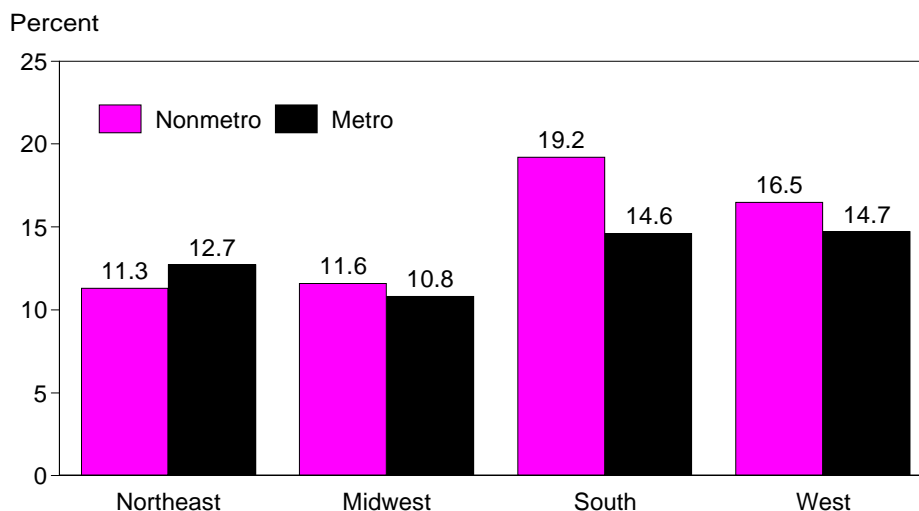


Source: Prepared by ERS based on data from the March 1996 Current Population Survey.

Figure 5

Poverty rates by region and residence, 1995

The South has the highest rate of rural poverty and the largest nonmetro-metro poverty gap



Source: Calculated by ERS using data from the March 1996 Current Population Survey.

Family Structure and Employment Characteristics Differentiate Poor from Near-Poor Workers

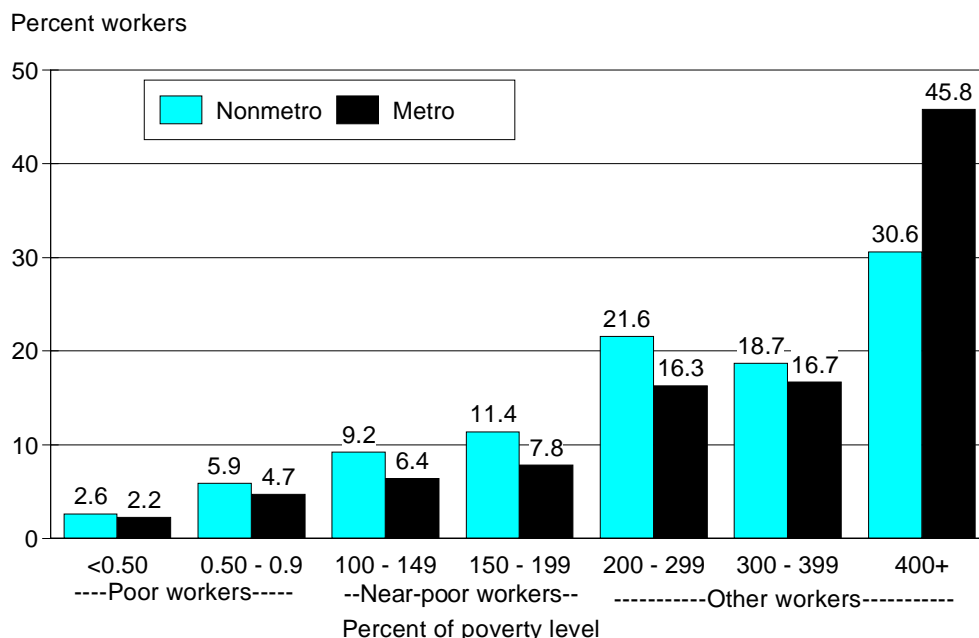
Many rural workers are poor or have incomes just above the poverty line. Rural poor workers are more likely than near-poor or other workers to live in a one-earner family, and to work less than full-time. Rising above the poverty level may be difficult for many poor workers because they have multiple barriers to livable-wage employment.

The modest increase in weekly wages from 1990 to 1996 (see “Rural Earnings Edge Up in the 1990’s” in this issue) has done little to alleviate the working poverty that persists in both rural and urban areas. Work does not always lift and keep a family out of poverty. Identifying those family and employment characteristics that distinguish poor workers from near-poor workers sheds some light on what is required for a worker to rise above the poverty level. Welfare reform efforts to move recipients from welfare to work will face some of the same problems that result in working poverty in rural areas.

Rural Workers More Likely Than Urban Workers To Be at the Lower End of the Income Distribution

In 1995, 123,750,000 persons in the United States worked at least part of the year. Of those workers, 8,954,000, or 7 percent, had family incomes below the poverty level (fig.1). Another 19,036,000 (15 percent) had family incomes between 1 and 2 times the poverty level (near-poor workers). Rural workers were somewhat more likely than urban to be poor—about 8.5 percent of rural workers had family income below the poverty level, compared with about 7 percent of urban workers. Rural workers were much more likely than urban to be near-poor—20 percent of rural workers were near-poor, 14 percent of urban workers. The share of rural workers with family income over twice the poverty level was 71 percent, versus 79 percent of urban workers. The 31-percent share of rural workers in the highest income category (those with family incomes at least four times the poverty level) was considerably smaller than the urban share (46 percent) and reflects in

Figure 1
Distribution of workers by ratio of family income to poverty level, 1995
Rural workers are more likely than urban workers to be poor or near-poor



Note: See appendix for definition of workers.

Source: Calculated by ERS using data from the March Supplement of the 1996 Current Population Survey.

part the location of the highest paying jobs in urban areas. Average 1995 earnings for rural poor workers, at \$5,221, were similar to the average earnings for urban poor workers (\$5,244). Average 1995 earnings for rural near-poor workers, at \$11,825, were slightly lower than for urban near-poor workers (\$12,303). For all other workers, 1995 earnings averaged \$26,327 for rural workers and \$33,465 for urban workers. Workers are defined here as persons between 18 and 64 years old, not self-employed, and who worked and had positive earnings during 1995.

Poor Workers and Near-Poor Workers More Likely Than Other Workers To Be Southern, Young, and in a Minority Group

The Southern region, which contains the largest share of the rural population (44 percent) and the largest share of rural workers (35 percent), also contains the largest share of poor and near-poor workers. Forty-eight percent of rural poor and about the same share of near-poor workers lived in the South, compared with 39 percent of other workers.

About 31 percent of rural poor workers were young (less than 25 years old), a much larger share than for either near-poor (22 percent) or other workers (13 percent). This is not surprising given that almost none of the young workers would be likely to earn the higher wages that accompany job seniority, and many were in school. In fact, if rural workers who claimed to work less than 52 weeks in 1995 because they were in school are excluded from the analysis, only 26 percent of poor workers, 19 percent of near-poor workers, and 9.5 percent of other workers were under the age of 25. Predictably, older workers experience less poverty than younger workers. Only 17 percent of rural poor workers and 20 percent of near-poor workers were age 45 and older, while 37 percent of other rural workers fell into this age category.

Although the share of minorities differs between each of the income groups, both rural poor and near-poor workers were much more likely than other workers to be a minority. Thirty-one percent and 25 percent of rural poor and near-poor workers were minorities, compared with only 10 percent of other workers.

Living in Multiple-Earner Families and Labor Force Participation Separate Poor From Near-Poor and Other Workers

Living in a family with more than one worker reduces the likelihood of poverty for rural workers (table 1). Workers in families with more than one adult but with only one adult

Table 1

Worker poverty status by potential number of earners per family, 1995

Rural poor workers were much less likely than near-poor or other workers to live in families with two or more earners

Item	Nonmetro			Metro		
	Poor	Near-poor	Other	Poor	Near-poor	Other
	Percent					
One adult earner in multiple-adult family	14.5	31.2	54.3	12.0	22.8	65.2
Two or more earners in multiple-adult family	3.0	16.3	80.7	2.4	9.8	87.8
Single parent earner	38.3	35.0	26.7	30.3	31.0	38.7
Sole male earner	13.8	25.0	61.2	10.0	18.9	71.1
Sole female earner	19.6	30.7	49.7	11.3	21.8	66.8

Source: Calculated by ERS using data from the March Supplement of the 1996 Current Population Survey.

working were much more likely to be poor or near-poor (46 percent) than workers in families with two or more earners (19 percent). The workers most vulnerable to poverty or near-poverty were single parents. Almost 75 percent of workers in this group were poor or near-poor. Women living alone experienced higher rates of poverty and near-poverty than men living alone. Half of the women living alone fell into the poor and near-poor categories, compared with 39 percent of men living alone.

The extent of employment distinguished rural poor workers from near-poor and other workers. Poor workers were much more likely than workers in the other two groups to be employed less than full-time, full-year (fig. 2). About 70 percent of rural poor workers worked part-time, part-year, compared with 37 percent of near-poor workers and 23 percent of other workers. Nevertheless, even full-time, full-year work does not guarantee adequate income. About 30 percent of poor workers worked full-time, full-year.

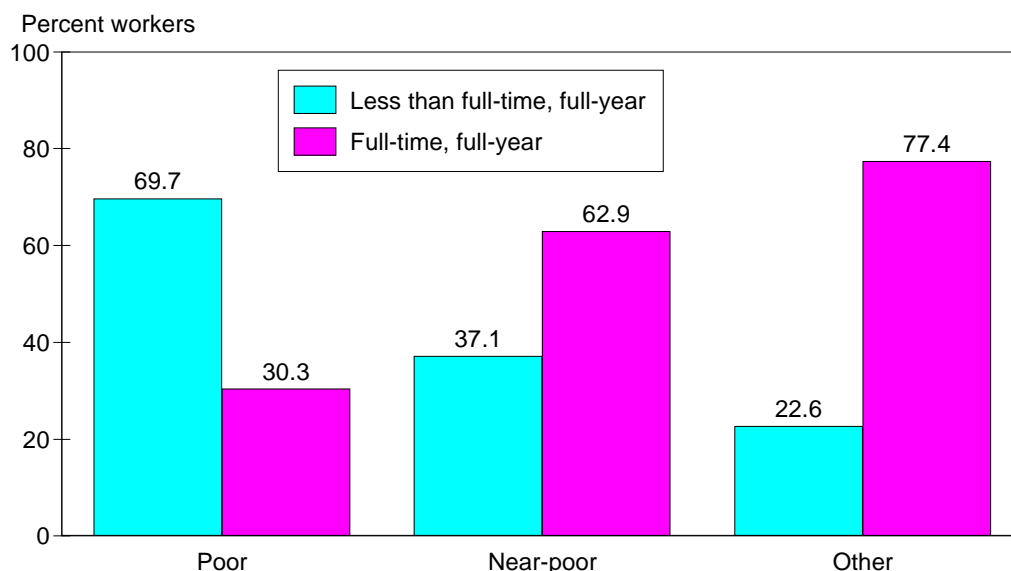
Poor Workers Experience More Barriers to Livable-Wage Employment Than Near-Poor Workers

Certain educational and family characteristics can make it difficult to acquire and sustain livable-wage employment, and these characteristics distinguish rural poor and near-poor workers from other workers (fig. 3). Workers with low levels of education often find they do not qualify for better paying jobs. Thirty-two percent of rural poor workers and 23 percent of near-poor workers over age 25 lacked a high-school diploma, compared with 10 percent of other rural workers. Female heads of family also are at a disadvantage in the labor market, partly because caring for young children contributes to the parent's relative unavailability for work, and to the limited ability of other family members to contribute additional income. A much higher proportion of poor workers (48 percent) than near-poor

Figure 2

Work time of rural workers by poverty status, 1995

Less than full-time, full-year work sets poor workers apart



Source: Calculated by ERS using data from the March Supplement of the 1996 Current Population Survey.

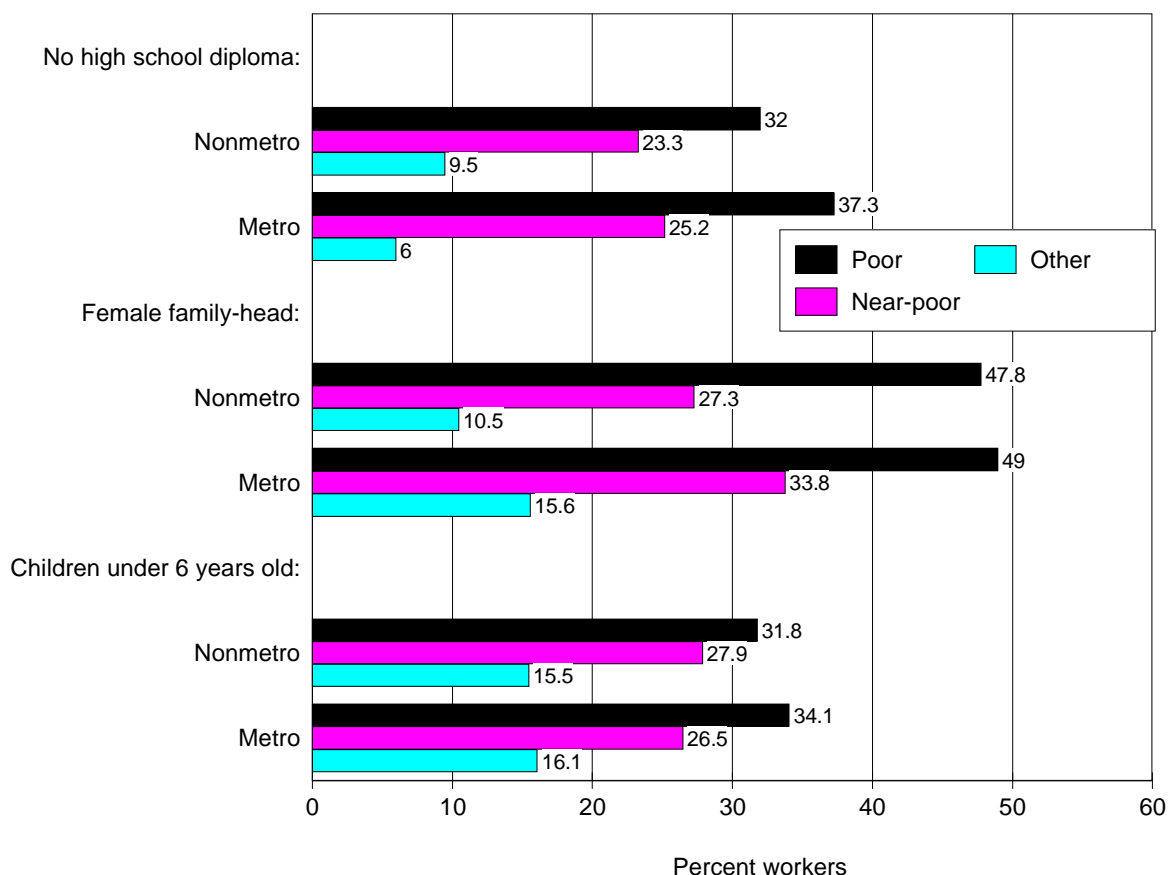
workers (27 percent) were female family heads. Of other workers, female family heads comprised less than 11 percent.

Additionally, poor workers and near-poor workers were more likely to have children under the age of 6 than other workers. While 32 percent and 28 percent of rural poor and near-poor workers had children under 6 years, less than 16 percent of other workers had children in this age category. Low-wage workers with young children may gain some relief from the Earned Income Credit, a refundable Federal tax credit targeted to low-income workers with at least one dependent child. As disadvantageous as these educational and family characteristics are singly, they are even more disadvantageous in combination. Twenty-two percent of rural poor workers had two of these barriers to livable-wage employment, while only 10 and 1.5 percent of rural near-poor and other workers were similarly disadvantaged (fig. 4). About 3.5 percent of poor workers in rural areas possessed all three barriers to earning a livable wage—low educational level, being a female family head, and having a young child at home—compared with less than 0.5 percent of near-poor workers and less than 0.01 percent of other workers. [Elizabeth M. Dagata, 202-219-0536 (after October 24, 202-694-5422), edagata@econ.ag.gov]

Figure 3

Barriers to livable-wage employment by poverty status and residence, 1995

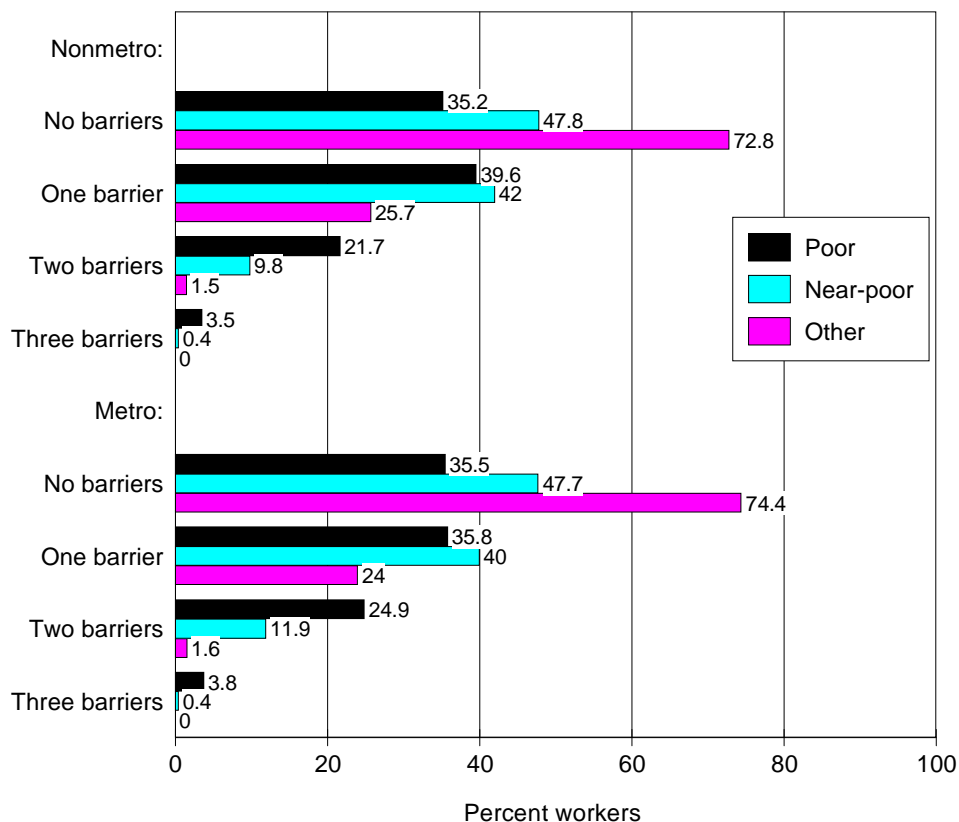
Poor and near-poor workers have more barriers to livable-wage employment than other workers



Source: Calculated by ERS using data from the March Supplement of the 1996 Current Population Survey.

Figure 4

Multiple barriers to livable-wage employment by poverty status and residence, 1995
Poor and near-poor workers are also more likely than other workers to have multiple barriers to livable-wage employment



Source: Calculated by ERS using data from the March Supplement of the 1996 Current Population Survey.

Who Is Considered Poor ?

A person is considered poor if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was \$15,455 in 1995. Thresholds are adjusted for inflation annually using the Consumer Price Index. *Poor workers* are workers whose family income falls below the poverty level, *near-poor workers* are workers whose family income is between 1 to 2 times the poverty level, and *other workers* are workers with family income above 2 times the poverty level.

Migration Contributes to Nonmetro Per Capita Income Growth

Recent migration into and out of nonmetro counties increased nonmetro per capita income, especially in rapidly growing, high-amenity settings. Incomes of nonmetro immigrants exceeded incomes of outmigrants in all types of nonmetro counties except those dependent on mining.

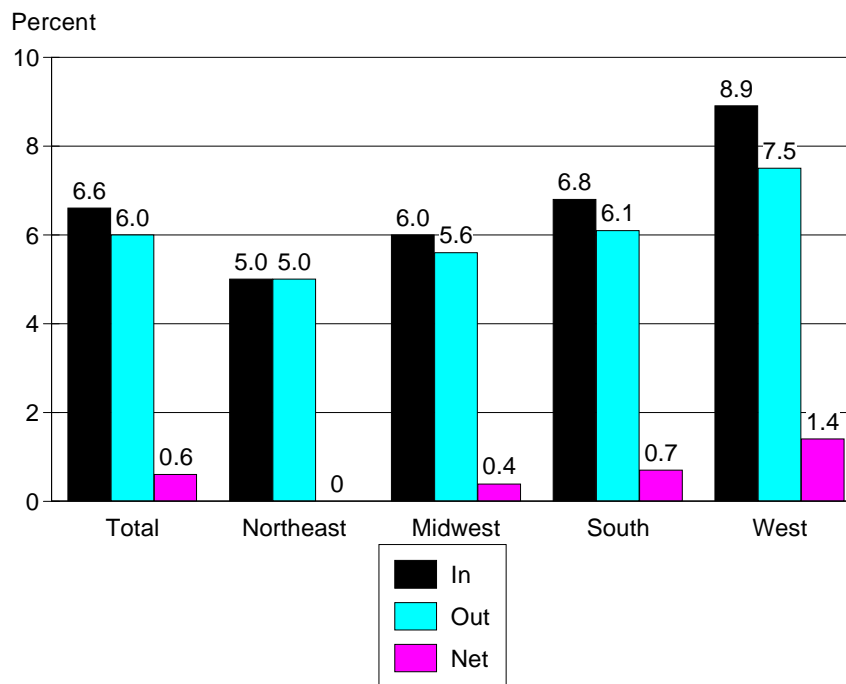
During the post-1990 nonmetro population growth spurt, the higher income of immigrants compared with outmigrants increased overall nonmetro per capita income by an estimated \$30 a year. Between April 1992 and April 1995, the average per capita income was \$11,176 for immigrants and \$10,579 for outmigrants. Mirroring these patterns, metro outmigrants were slightly wealthier than immigrants, creating a \$4 annual drop in metro incomes. Migration increased per capita income in roughly half of all nonmetro counties. The effect varied from -\$763 to \$1,666. However, 81 percent of nonmetro counties fell in the range of -\$100 to \$100.

Recent income growth due to migration coincides with a nonmetro population revival. Nonmetro areas currently have higher levels of immigration from metro areas and lower outmigration to metro areas than in the previous decade. Movement to and from metro areas—along with county-to-county migration within nonmetro territory—sustains an ongoing redistribution of population, causing some areas to grow rapidly while others decline. During 1992-95, the average nonmetro county grew 6.6 percent per year from immigration but lost 6.0 percent to outmigration. The net effect was a 0.6-percent increase in population per year. These gains stand in contrast to several years of population loss from net migration during the mid-1980's. In addition, migration patterns varied across regions, consistently favoring the West and South (fig. 1). During 1992-95, the nonmetro Northeast did not grow at all from net migration because immigration equaled outmigration. At the same time, immigration to the nonmetro West was substantially higher than outmigration, leading to annual gains of 1.4 percent from net migration.

Figure 1

Nonmetro annual population change from migration, by region, 1992-95

The West experienced highest rates of in- and outmigration



Note: See appendix for definition of regions.

Source: Calculated by ERS using data from the Internal Revenue Service.

High-Amenity Counties Lead in Migration-Induced Income Growth

The effect of migration on local communities and economies depends not only on migration rates, but also on the characteristics of the in- and outmigrants and how they compare with characteristics of residents who do not move (nonmigrants). Attributes such as age, education, job skills, health status, and income influence job growth and alter the demand for public services such as education, income maintenance, and health care. In recent years, low-income families have been migrating as readily as those better off, but have been following somewhat different migration paths. An influx of low-income migrants poses a very different set of challenges to a community than an influx of high-income migrants.

Using county-level data provided by the Internal Revenue Service on the number and aggregate income of immigrants, outmigrants, and nonmigrants, we calculated the effect of migration on county per capita income during 1992-95. (See box below for a description of the data.) Earnings and nonearnings are combined so we cannot separate the effect of nonearnings income that migrants bring with them (or take away) from the effect of the higher or lower earnings income migrants receive once they move. The effect of migration on income had a fairly strong geographic pattern. Nonmetro counties that experienced rising income as a result of migration were concentrated at the suburban fringe of expanding metro areas and in areas of high natural amenities, especially in the

About the Estimates and the Calculation of Migration's Effect on Income

The Internal Revenue Service (IRS) compiles annual county-level domestic migration data by matching current-year tax returns with those from the previous year and comparing addresses. If a county of residence is different in the previous year, members of that family are considered migrants. If the county is the same, they are considered nonmigrants. The number of exemptions claimed on the return serves as a proxy for the number of migrants in that family. Most people file their returns during early to mid-April, so the data here refer to flows from April of one year to April the next.

Beginning in 1993, county-level data on aggregate income of immigrants, outmigrants, and nonmigrants were added to this file. To summarize the effect of migration on per capita income, we calculated the change in county per capita income that resulted from the recorded migration, computed as the combined per capita income of the county's immigrants and nonmovers less the combined per capita income of outmigrants and nonmovers. An average of three sets of flows, 1992-93, 1993-94, and 1994-95, was used to reduce random measurement errors and the disturbances caused by uncharacteristic single-year events. Eleven non-metro counties lacked valid migration or income data for one or more years and were excluded from the analysis.

For most persons, income during the year of a move is lower than their multi-year average income. Often some work is missed during a move, and moves are sometimes precipitated by loss of employment and preceded by a period of unemployment or underemployment. Nevertheless, the "income effect of migration" should serve reasonably well as a relative indicator, since the downward bias should affect immigrants and outmigrants similarly. When interpreting the absolute value of the difference between income of movers and nonmovers, however, this bias should be kept in mind.

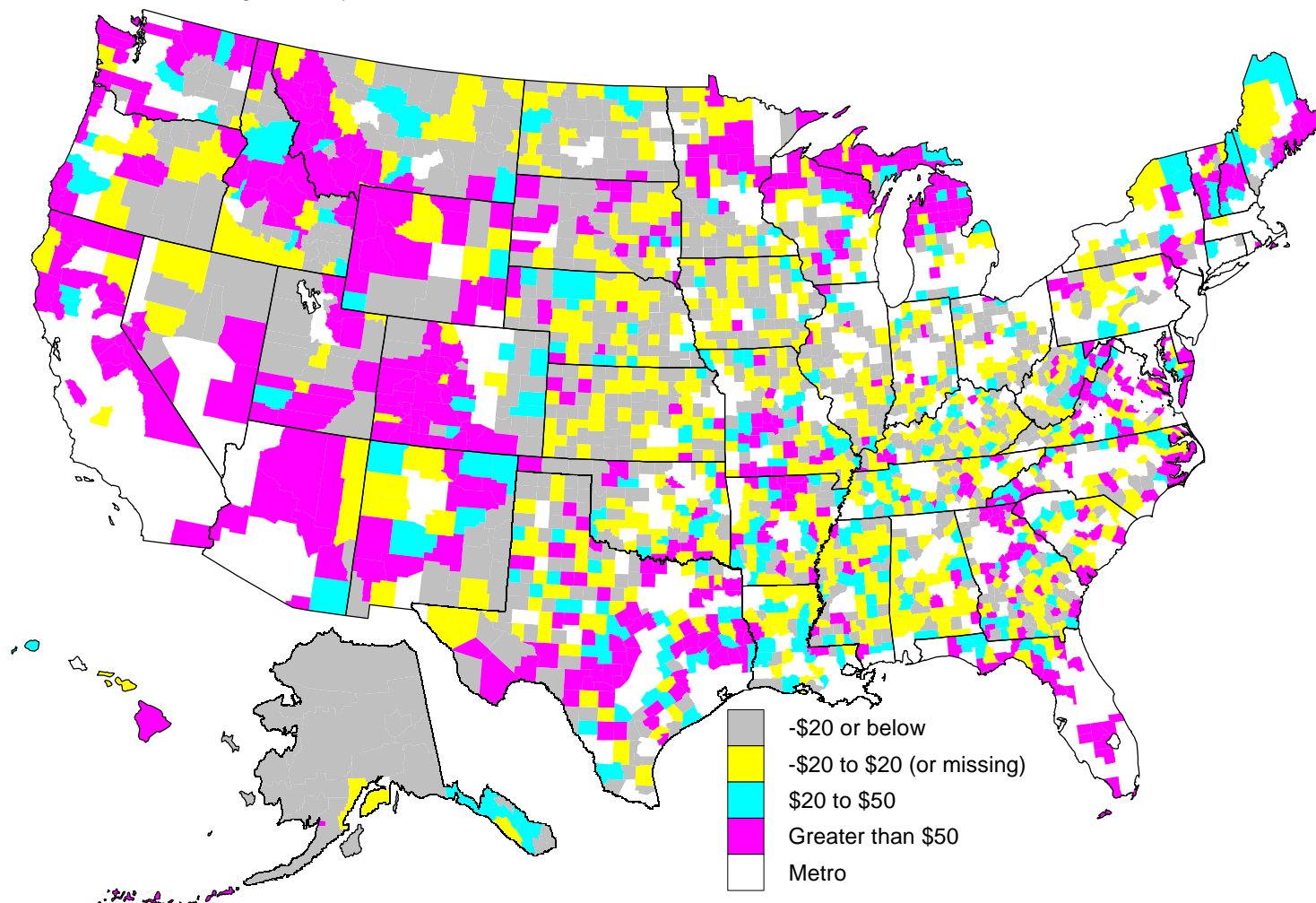
IRS migration data cover roughly 80 percent of the migrating population, offering a window into detailed, annual population dynamics not available elsewhere. Coverage varies geographically and is demographically selective—those likely to be left out include college and military migrants, labor force entrants, and the long-term unemployed. Common data adjustments used at the State level to partially correct for geographic variation of missing individuals have not been applied here; adjustments at the county level may create more problems than they solve because the demographic groups left out most likely have very different geographic migration patterns than the population as a whole.

intermountain West and the Pacific coastal ranges, but also in the eastern Appalachians, the Ozark-Ouachita Plateau, the Upper Great Lakes, and parts of rural New England (fig. 2). Counties that experienced declining income as a result of migration (either due to low-income immigration or high-income outmigration) are concentrated in the Great Plains, the Corn Belt, the western Appalachians, and to a lesser degree throughout the southeastern Coastal Plain. Several such counties are also scattered in the interior West and Northwest.

Figure 2

Nonmetro annual per capita income change from migration, 1992-95

Migrants raise per capita income in the Rocky Mountains, Great Lakes, and other high-amenity areas



Notes: 1993 metro definitions. Statistics calculated separately for 1992-93, 1993-94, and 1994-95, then averaged. Values set to zero for 26 nonmetro counties with unreported income data.

Source: Calculated by ERS using data from the Internal Revenue Service.

During 1992-95, most nonmetro counties with high net immigration attracted migrants with high incomes relative to those of outmigrants, while the reverse held for counties with net outmigration. However, a substantial minority of high-immigration counties did attract immigrants with incomes well below those of outmigrants. These low-income destination counties are scattered throughout the Midwest and in historically high-poverty areas of the East and Southeast. Interestingly, there are also a number interspersed with the high-income destination counties in the intermountain West. This juxtaposition may in part reflect a commonly expressed concern, that low- and middle-income persons are attracted to the service jobs opening up in the intermountain West but are unable to live in the high-amenity counties where the jobs are concentrated because of the rapidly rising cost of land and housing in those counties.

Income Benefits Accrue to Highly Rural Settings and Retirement Destinations

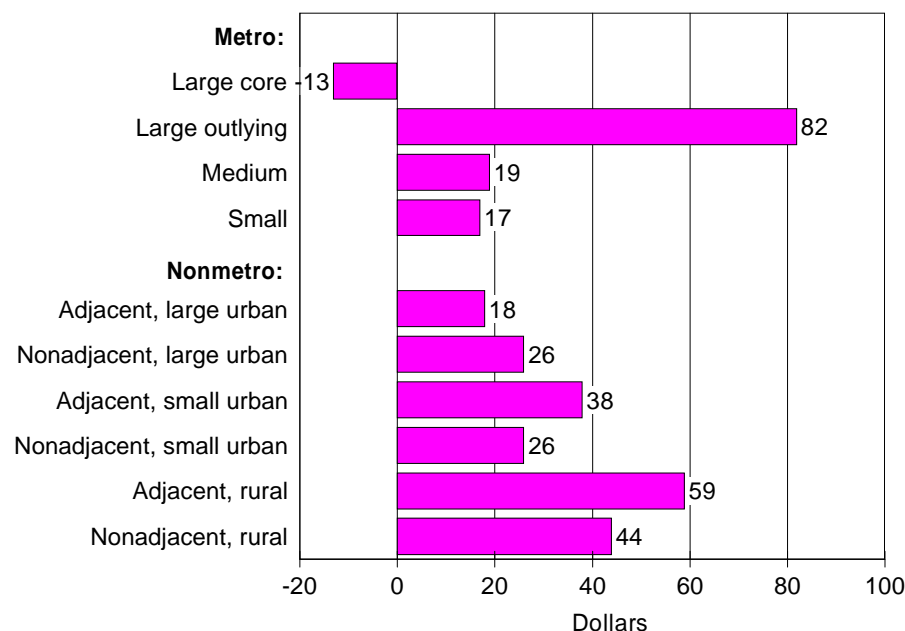
During the early 1990's, the attractiveness of sparsely settled, isolated locations increased dramatically for rural migrants. At the same time, the pull of natural amenities remained high and that of economic opportunities associated with amenity-based economies increased. The increasing importance of residential and recreational desirability creates new opportunities for remote rural areas, but raises the question of whether the benefits of migration to local economies also extend across the rural-urban spectrum.

The effect of migration on income varied across the rural-urban continuum as measured by the 1993 ERS rural-urban categories (see appendix for a description), and sparsely settled areas appear to have fared rather well. The most notable effects were in large metro areas, lowering income in the core counties and raising income in fringe counties surrounding them. But there were also substantial positive effects on income in most of the nonmetro categories, and especially in the most rural categories. Income effects were generally higher in counties adjacent to metro areas than in nonadjacent counties with similar size urban populations. Within nonmetro nonadjacent territory, per capita incomes grew by \$44 per year from migration in rural counties compared with \$26 in urban counties (fig. 3).

Figure 3

Annual per capita income change from migration, by rural-urban categories, 1992-95

Income declined in core counties of largest metro areas; highest nonmetro gains were found in completely rural counties



Note: See appendix for definition of rural-urban categories.

Source: Calculated by ERS using data from the Internal Revenue Service.

Migration's effect on income varied substantially among counties with differing economic activities. Counties dependent on farming and mining experienced negative or very slow income growth from migration, while per capita income in counties dependent on the rapidly expanding rural service sector grew by \$91 per year (fig. 4). Manufacturing counties gained population through net migration at the overall nonmetro rate (0.6 percent), but gained per capita income at only a fraction of the overall rate (\$2 as compared with \$30).

Retirement-destination counties not only showed the highest per capita income gains from migration, \$201, but were the only county type where the income of immigrants was higher than the income of nonmigrants. This is not entirely unexpected since, by definition, retirement destinations attract large numbers of older migrants who as a group tend to have relatively high incomes. In addition to retirement destinations, counties with a large proportion of federally owned land are also rich in natural amenities. These two county types (which overlap somewhat) had the highest rates of net immigration as well as the highest income growth from migration of all county types. Well-to-do migrants tend to spur the local economy. The additional \$201 in per capita income in a retirement-destination county represents, on average, \$4.7 million additional income in the county per year. A substantial amount of this additional income would be spent in the county on goods and services.

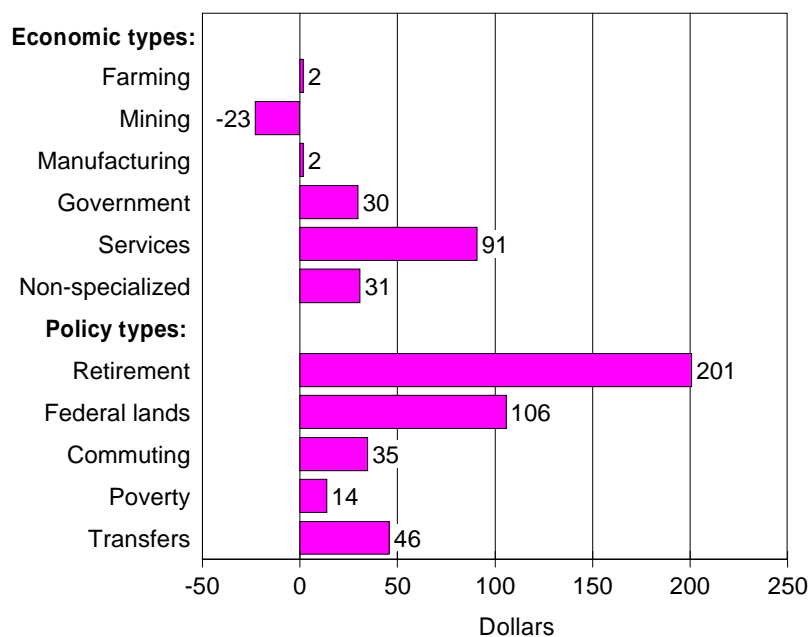
Income Migration Trends Over Time Hard To Predict

It is often assumed that any net immigration is a boon to the local economy, but this depends on the economic characteristics of the immigrants and outmigrants. In 1992-95, not all counties with high net immigration attracted high-income migrants. In the rural-urban distribution of income migration, rural areas fared rather well on average, but geographically this outcome was distributed very unevenly, and the differences appear to have resulted more from the natural amenities of counties than from the job opportunities offered by their economies (fig. 5).

Although traditional economic strategies will continue to be important to the vitality of rural communities, strategies that build on their natural amenities and rural residential desirability will become increasingly important. Rural communities cannot change their climate or import mountains; however, they can protect and enhance (and, to some extent, market) the natural resources they do have. And they can complement their natural advantage of rurality itself with other factors such as health, education, and cultural services that make rural communities attractive places for people to live and recreate.

The pull of natural amenities is likely to strengthen in the coming years as the vanguard of the large baby boom cohort edges toward retirement and as high-technology businesses become less attached to major urban centers. However, because the source of data is so new, we do not yet know to what extent the patterns of income migration described here are associated with the growing amenity-based rural economy. Do these patterns differ from those of the past? Are they, in fact, changing the spatial distribution of income, or are they patterns that are longstanding and arise from life-cycle migration patterns? Monitoring income changes and migration over the next few years will help provide answers to these questions. [John Cromartie, 202-219-0192 (after October 24, 202-694-5421), jbc@econ.ag.gov; and Mark Nord, 202-219-0554 (after October 24, 202-694-5433), marknord@econ.ag.gov]

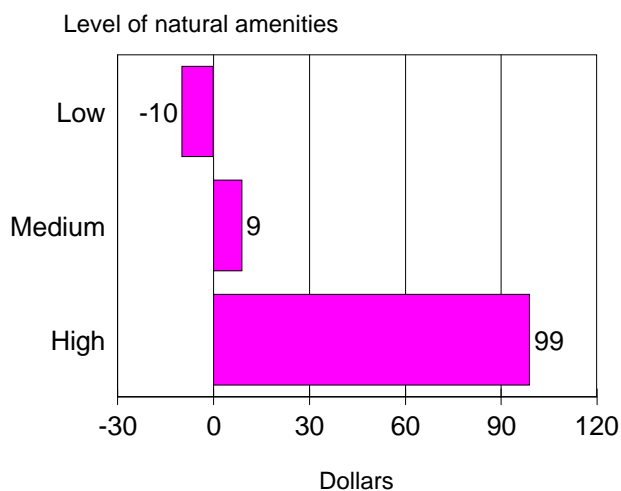
Figure 4

Annual per capita income change from migration, by county type, 1992-95*Retirement destinations attracted high-income migrants*

Note: See appendix for definition of county types.

Source: Calculated by ERS using data from the Internal Revenue Service.

Figure 5

Nonmetro annual per capita income change from migration, by level of natural amenities, 1992-95*Highest migration-induced income gains were found in high-amenity counties*

Note: Natural amenities are measured using the ERS natural amenities index. See appendix for a definition. The high and low categories measure the income change for the 25 percent of nonmetro counties with the highest and lowest natural amenities, respectively.

Source: Calculated by ERS using data from the Internal Revenue Service.

Nonmetro Population Growth Rebound of the 1990's Continues, But at a Slower Recent Rate

Nonmetro population grew by about 6 percent from April 1990 to July 1996, with three-fifths of this increase derived from net inmovement of people from metro areas and from abroad. The pace of increase was somewhat lower than that in metro America (nearly 7 percent), but more than twice the increase that occurred during the entire 1980's. In the single year, 1995-96, nonmetro growth was below that of the previous several years.

The current trend of renewed growth in the nonmetro population has been rather well publicized by now, having been reported by major newspapers and magazines. This article updates the trend to mid-year 1996. The basic event we are following is one in which three-fourths of the country's 2,300 nonmetro counties have increased in population since 1990, after fewer than half had done so during the extended farm crisis and general rural economic recession of the 1980's.

From 1990 to 1996, nonmetro counties had an overall population increase of 5.9 percent, modestly below that of 6.9 percent in metro areas (table 1). In contrast, in the 1980's, metro areas grew at a rate four and a half times that of nonmetro communities.

Migration From Metro Areas Provided Half of All Nonmetro Population Increase

The most significant feature of this turnabout is that half of the nonmetro growth since 1990 has stemmed directly from a net inflow of 1.5 million people from metro areas (fig. 1). Another 10 percent has come from direct foreign immigration. The metro areas had a somewhat faster increase, despite their migration losses to the nonmetro places, because of their much wider margin of natural increase—the surplus of births over deaths—and their disproportionate role as destinations for immigrants. It should be noted though, that the majority of metro areas received some net inflow from other parts of the United States. This was possible because metro outmovement from California and New York was so large that if just those two States were removed from the tabulations, the demographic balance sheet for the rest of the Nation would show some metro growth from domestic migration.

Table 1

Regional population change, 1980-96

All regions have had net migration of people into nonmetro areas since 1990

Region	Population			Change		Net migration		Net migration rate	
	1996	1990	1980	1990-96	1980-90	1990-96	1980-90	1990-96	1980-90
	Thousands			Percent		Thousands		Percent	
United States:									
Nonmetro	53,904	50,903	49,577	5.9	2.7	1,827	-1,370	3.6	-2.8
Metro	211,380	197,816	176,965	6.9	11.8	3,629	6,576	1.8	3.7
Northeast:									
Nonmetro	5,397	5,267	5,018	2.5	5.0	33	45	0.6	0.9
Metro	46,183	45,543	44,119	1.4	3.2	-899	-657	-2.0	-1.5
Midwest:									
Nonmetro	16,524	15,978	16,310	3.4	-2.0	295	-1,047	1.8	-6.4
Metro	45,559	43,691	42,557	4.3	2.7	-89	-2,003	-0.2	-4.7
South:									
Nonmetro	23,694	22,359	21,733	6.0	2.9	849	-459	3.8	-2.1
Metro	69,404	63,095	53,634	10.0	17.6	3,172	4,672	5.0	8.7
West:									
Nonmetro	8,290	7,299	6,516	13.6	12.0	649	91	8.9	1.4
Metro	50,234	45,485	36,655	10.4	24.1	1,445	4,564	3.2	12.5

Note: See appendix for definitions of regions.

Source: Calculated by ERS using data from the Bureau of the Census.

For the most recent single year in which data are available, July 1, 1995 - July 1, 1996, the Census Bureau estimates a preliminary nonmetro population increase of 424,000. This is 23 percent below the upwardly revised estimate of 549,000 for the comparable 1994-95 interval, which is the highest of the post-1990 period. Improved metro employment growth may have contributed to the lower nonmetro increase of 1995-96. Whether this change foreshadows some further slackening of nonmetro growth remains to be seen. U.S. population growth as a whole eased in 1995-96, from diminished amounts of both natural increase and net immigration, and in residential terms, nonmetro areas are estimated to have accounted for all of the growth slowdown. Even so, the nonmetro growth of this most recent year continued to see net inmovement of people.

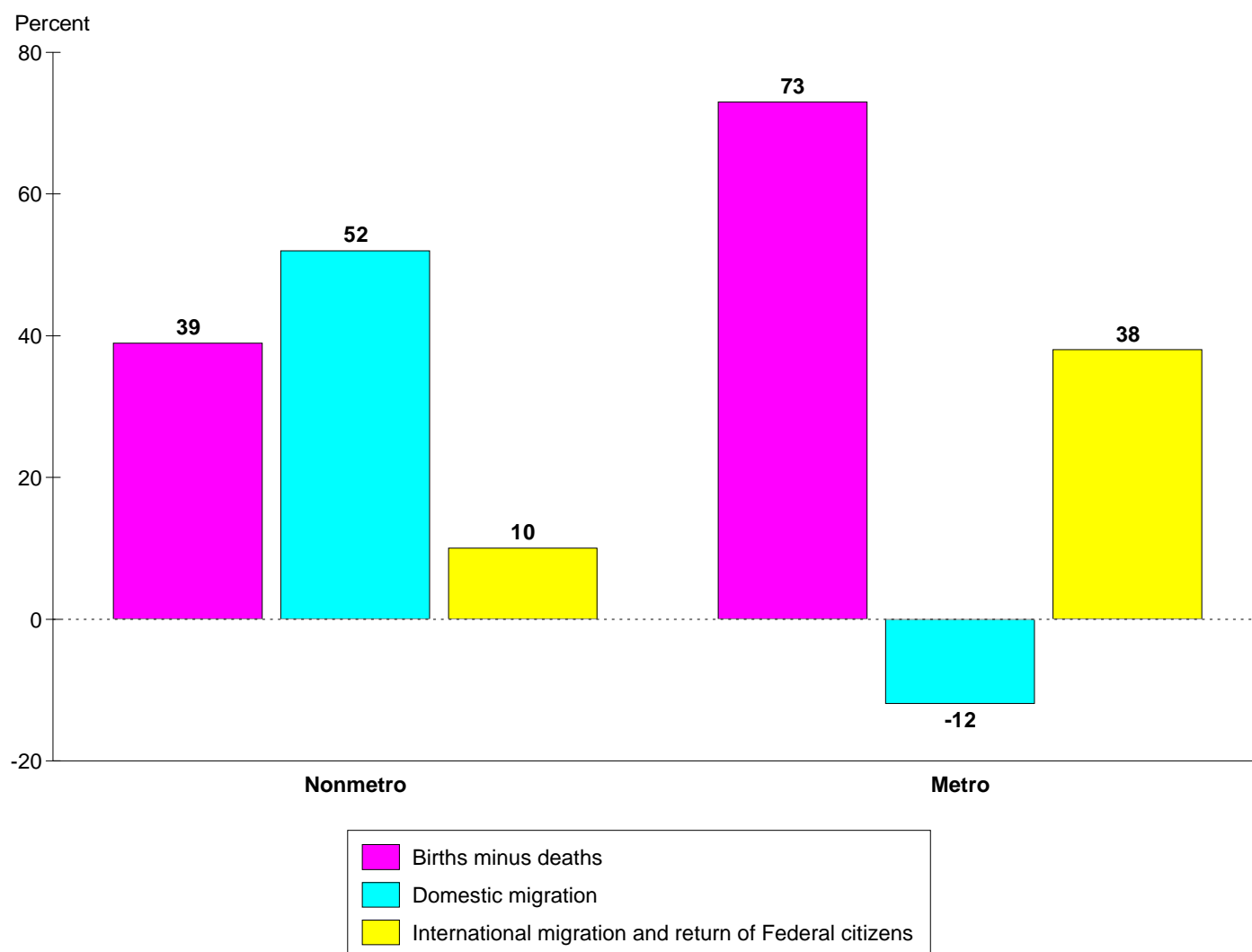
Greater 1990's Retention or Growth of Population Found in All County Types

All broad economic types of nonmetro counties have shared in the rebound of population growth in the 1990's—manufacturing, farming, and mining areas, plus those dependent on government work, services and trade, or having unspecialized economies. But they

Figure 1

Sources of population growth, 1990-96

Nonmetro population increase has depended primarily on migration, while most metro growth has come from the surplus of births over deaths



Source: Bureau of the Census.

have not done so equally. Among these mutually exclusive types, nonmetro counties with economies focused on services and trade had the most rapid average growth—8.4 percent, a pace faster than that in the typical metro area (app. tab. 9). A number of these counties attract retirees and/or are recreational destinations. Retirement-destination counties grew by 16.3 percent, the highest growth rate of any identified type of county. In such counties, nearly 90 percent of the population increase stems from net immigration. These counties are usually attractive to younger people as well, because of natural or developed amenities, and by far the majority of their growth is among persons under 65. Counties with high levels of recreational activity increased by 11.2 percent. The rapid growth of the retirement and recreation counties indicates noneconomic motivations that have propelled nonmetro population growth in many areas. The fact that per capita income is rising much slower in such places than elsewhere also suggests the role of nonpecuniary forces in shaping recent nonmetro trends. The counties with above average population growth rates have acquired about 80 percent of all nonmetro population gain.

The large block of nonmetro counties specializing in manufacturing had a population increase of 5.2 percent, a figure below the overall nonmetro value. However, these counties were less likely to lose population than were most other types, partly because their comparatively normal age composition made them the least likely to have more deaths than births. Growth in the 500-plus manufacturing counties, however, did not necessarily come from continued gains in manufacturing, for jobs in that segment of the national economy have not been increasing.

Farming- and mining-dependent counties had the lowest rates of overall population increase—4.0 and 2.8 percent, respectively. These traditional rural extractive industry sectors are still shedding workers, even where production is sustained. Half of all farming counties and nearly a third of mining areas fell in population, and where they grew, their growth frequently derived from other sources. Nevertheless, even these two county types generally participated in the larger demographic trend by having less loss than in the 1980's or some growth where there was earlier decline.

Regional Differences in Population Change Remain Strong

The geography of population change reflects these growth patterns. As shown on the map (fig. 2), areas with above-average population increase are very common in the Mountain West. Much of this territory is still thinly settled, but new growth is rapid enough to be noticeable and the character of many places is changing as a result. Elsewhere, the Upper Great Lakes and Ozarks recreation/retirement districts continue to show above-average increases, as do the southern Blue Ridge Mountains counties, northern Florida, and many communities that adjoin thriving metro areas.

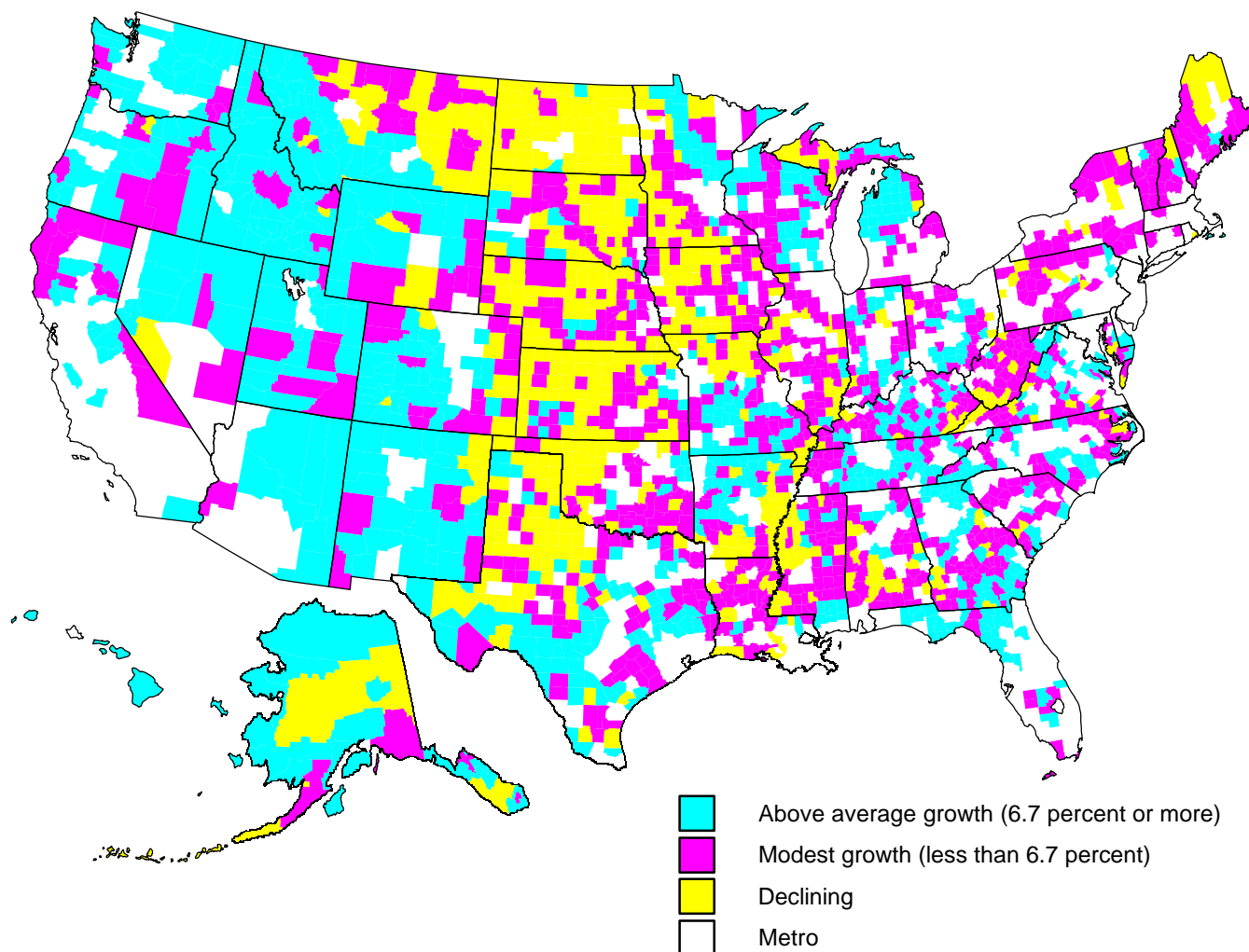
Areas that have declined in population since 1990 are most prevalent in the Great Plains and adjoining parts of the Corn Belt, where continued losses in farm employment have not yet been offset by other job growth. The only significant grouping of declining counties elsewhere is in the lower Mississippi Valley, especially in the Delta. Here, as in most of the Plains and Corn Belt farming areas, declines were typically modest and well below those of the 1980's. Remarkably, the Farm Belt has some counties that have declined in every census since 1900 and have continued to do so through 1996. This illustrates how very lengthy the adjustment process can be to continually falling labor requirements in agriculture, unless other sources of employment are developed.

The eastern half of the country is the most likely to have had population growth at low to average levels of less than 1 percent annually. Such counties often have major dependence on industrial work, even if there is also a farm base, and lack either the widespread amenity attraction of the West or the sparse settlement and farm and ranch dominance of so many of the declining places.

Figure 2

Nonmetro population change, 1990-96

A third of all nonmetro counties grew faster than the Nation as a whole, but a fourth declined



Note: National average growth for this period was 6.7 percent.

Source: Prepared by ERS using data from the Bureau of the Census.

More Than a Fourth of Nonmetro Counties Have Been Having More Deaths Than Births

Over 600 nonmetro counties—more than a fourth of the total—had more deaths than births in the 1990-96 period. In some, the excess of deaths has developed because of extensive inmovement of older people in retirement who later die in the county. In the majority of cases, however, the smaller number of births stems from the aging of the population over several decades, as young adults moved away to opportunities elsewhere, and the smaller family size that most rural families have elected since the end of the Baby Boom. Age-specific birth rates in nonmetro America are not much above metro rates, or the number of children needed for ultimate population replacement. Half of the counties with natural decrease declined in total population, with the great majority of these also losing through net outmigration.

The Older Population Has Begun To Decline in Many Nonmetro Counties

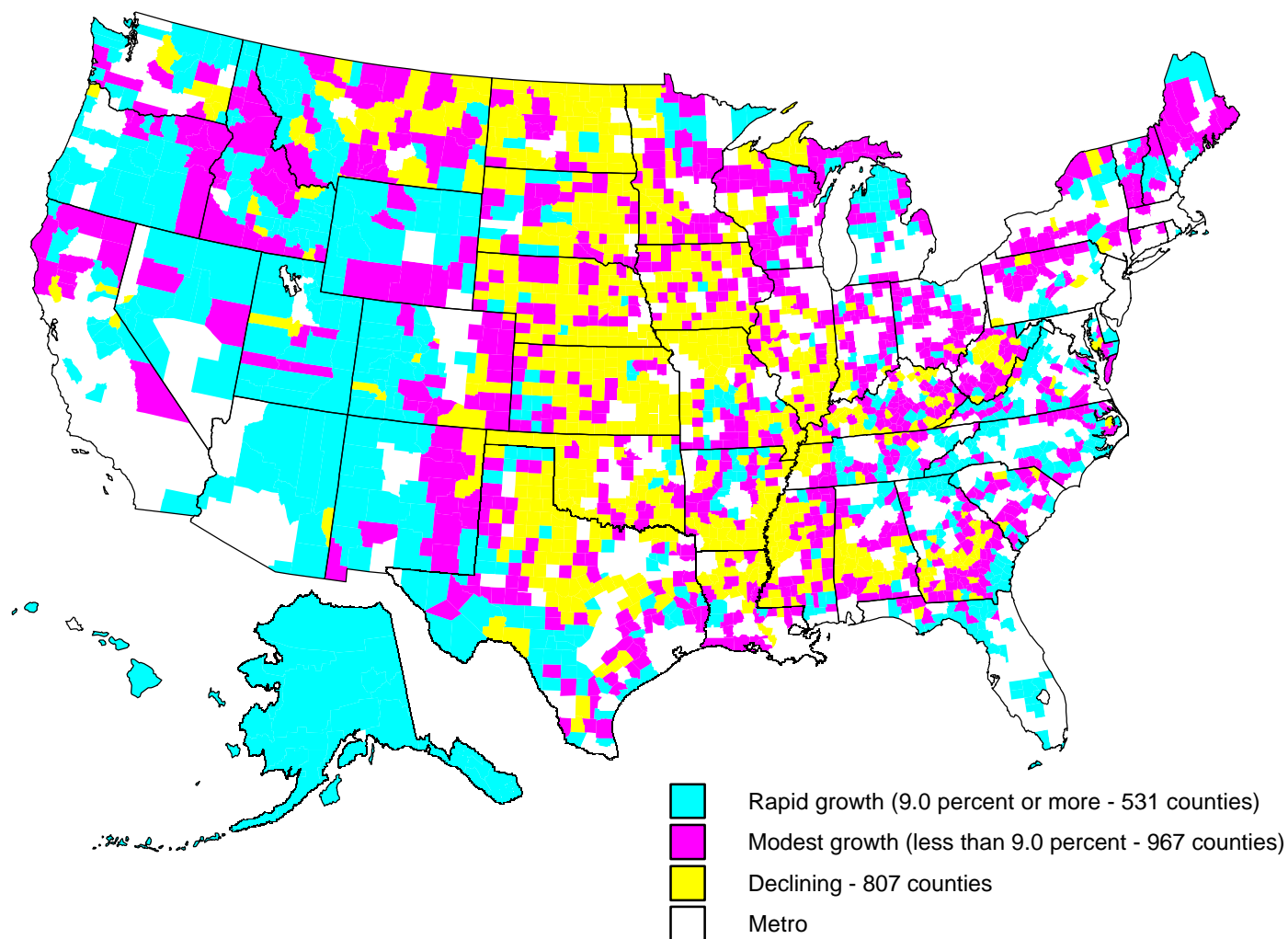
Even though many counties are having more deaths than births through a disproportionately old age structure, this is occurring despite the fact that there are now over 800 counties with declining numbers of people 65 and over (fig. 3). Although the national population 65 and over continued to increase faster than that under 65 from 1990 to 1996 (a growth of 9.0 percent versus 6.3 percent), in nonmetro counties as a whole this was not true. Rather, the nonmetro population under 65 grew somewhat faster than that 65 and over (6.0 percent versus 5.5 percent). This comparison is in sharp contrast to the 1980's when the nonmetro older population had a decade growth of about 15 percent against just 1 percent for the under-65 class. This marked change in trend has meant that despite a rapid increase of older people in the minority of nonmetro counties that we view as significant retirement destinations, the national nonmetro population growth rebound has occurred only among persons under 65.

Fully a third of all nonmetro counties are estimated to have had declining older populations since 1990, more than three times as many as in the 1980's. This trend is believed—like that of natural decrease—to stem heavily from the past depletion during their youth of cohorts now reaching 65, as rural young people moved away to the cities in the 1940's or gave up farming in the 1950's. Thus, the burden of elderly dependency has already started to lessen in many rural areas, both absolutely and proportionately. And this is in advance of the more widespread trend now in place in which people reaching 65 are survivors of the small birth cohorts of the Great Depression era. [Calvin Beale 202-219-0482 (after October 24, 202-694-5416), cbeale@econ.ag.gov]

Figure 3

Nonmetro change in the population age 65 and over, 1990-96

Six States' nonmetro areas lost population 65 and over: Illinois, Iowa, Kansas, Nebraska, North Dakota, and Oklahoma



Note: National average growth of the population 65 and over was 9.0 percent.
Nonmetro average growth was 5.5 percent; metro average growth was 10.2 percent.
Source: Prepared by ERS using data from the Bureau of the Census.

Nonmetro Elders Better Off than Metro Elders on Some Measures, Not on Others

A larger share of the nonmetro population was age 60 and older (18 percent) in 1996 than the metro population (15 percent). At ages 75 and older, half of all elderly persons are living alone. This is associated with a greater likelihood of being poor: 42 percent of nonmetro persons age 75 and older were poor or near-poor, compared with 28 percent of their metro counterparts.

The U.S. population is aging, and the number of older Americans is expected to more than double by 2030. Older persons are at greater risk of disability and are more substantial users of health, medical, and other services than the general population. The aging of the population poses new social and policy challenges—the future size of the older population is of fundamental importance for planning budget outlays and assessing the liabilities of federally sponsored health and pension programs. The elderly population is remarkably heterogeneous. The nonmetro elderly have characteristics and needs that differ from the metro elderly. One-quarter of all older persons live in nonmetro areas, many of which are deficient in health and social services. A social and economic profile of the elderly will aid in future planning to meet the needs of this growing segment of the population.

The population age 60 and older in 1996 represents a larger share of the nonmetro population (18 percent) than the metro population (15 percent). Nearly 6 percent of the nonmetro population and 5 percent of the metro population were age 75 and older in 1996. The survey data used in this article exclude the institutionalized older population, which represents 5 percent of the older population. As the aging process itself leads to a number of changes in an individual's health, social, and economic circumstances, comparisons are made between the young old, ages 60-74 years, and the oldest old, ages 75 and older. The pre-retirement age group 55-59 is used as a comparison group.

The accompanying population pyramids for metro and nonmetro areas (fig. 1) reflect a similar age-sex distribution of the population age 55 and older. Women outnumber men at older ages. The proportion of females was higher than males at ages 70 and older and increased with each age bracket. In 1996, there were 5 million women age 60 and older to 4 million men in nonmetro areas, and 18 million older women to 14 million older men in metro areas. The difference between the number of men and women increases with advancing age—by age 75, women outnumber men almost 2 to 1. In nonmetro areas, there were 1.9 million women age 75 and older to 1.1 million men, and in metro areas, there were 6.5 million elderly women to 3.9 million men.

A Smaller Proportion of Minority Elders Reside in Nonmetro Than in Metro Areas

The older population is predominantly White; in 1996, 93 percent of nonmetro persons age 60 and older were White, and 88 percent of metro persons age 60 and older were White. In 1996, nearly 10 percent of metro elders age 60-74 were Black, compared with 6 percent of nonmetro elders; 7 percent of 60- to 74-year-olds in metro areas were of Hispanic origin, compared with 3 percent of their nonmetro counterparts. Minorities are a smaller share of the older population than of the general population; 14 percent of all metro residents and 9 percent of nonmetro residents were Black. Hispanics represented 12 percent of the metro population and 5 percent of the nonmetro population. The older population is becoming more racially and ethnically diverse, and greater ethnic and racial diversity will characterize the elderly population in the 21st century.

The Nonmetro South Has the Largest Share of the Elderly

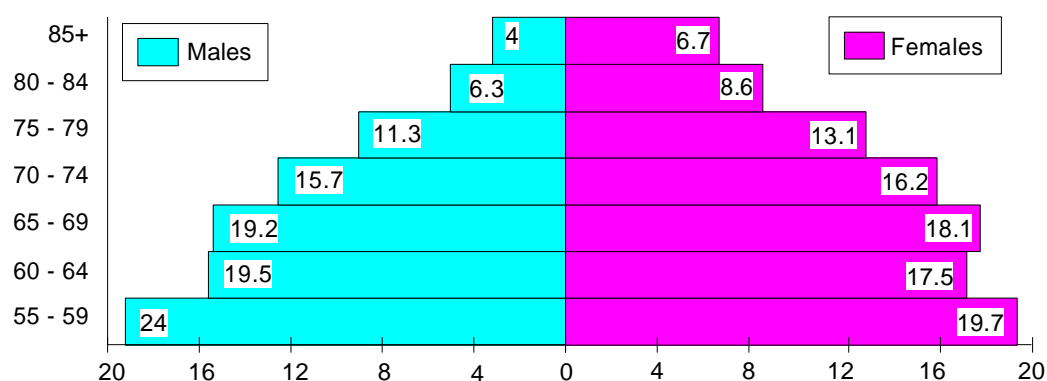
The older population is concentrated in the South; also a substantial proportion of the nonmetro elderly resides in the Midwest. Among nonmetro elders ages 60-74, 46 percent resided in the South and 31 percent in the Midwest in 1996. Among their metro counterparts, 34 percent were in the South and 21 percent in the Midwest. The regional distribution of the older population does not differ from that of the general population. Many regions dependent on farming and mining, and with a prior history of slow growth and net outmigration—such as the Corn Belt, Great Plains, and Southern Appalachian Coal Fields—have been aging through the loss of young adults. Some areas have gained

older residents, largely because of an influx of retirees. Other areas have sustained decade-long losses of outmigrating, young working-age people, while older persons have remained and become an ever-increasing proportion of the total population. This changing geographic distribution of the older population has resulted in disparities between resources and needs—such as medical services, social services, housing, and long-term care—in communities, regions, and States. As noted in the previous article in this issue on Population, many counties have been experiencing declining numbers and proportions of the population 65 and older since 1990, as migration-depleted middle age groups move into older ages and the younger population holds steady or grows.

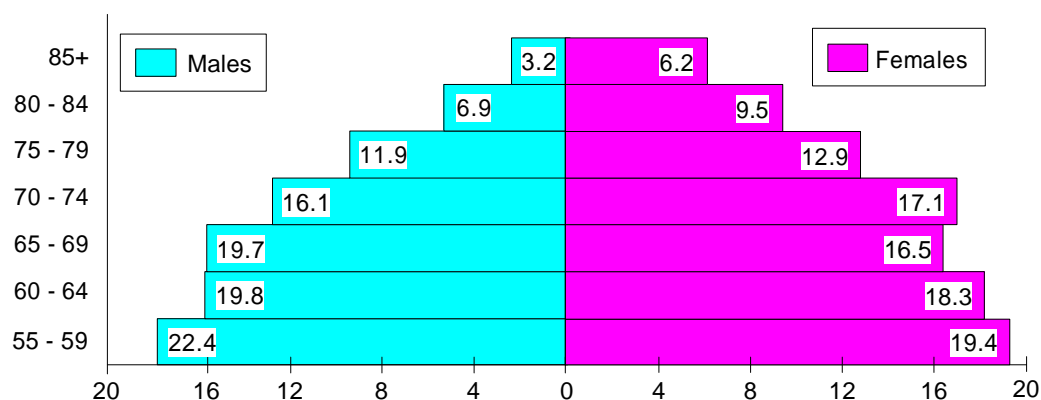
Figure 1

Percent distribution of metro persons 55 and older by age and sex, 1996

At age 70 and older, the proportion of females is greater than that of males



Percent distribution of nonmetro persons 55 and older by age and sex, 1996



Source: 1996 March Current Population Survey (CPS) data file.

The Likelihood of Widowhood and Living Alone Increases with Advancing Age

Nonmetro older persons are more likely to be married than their metro counterparts; in 1996, 71 percent of nonmetro and 66 percent of metro persons age 60-74 were married (fig. 2). Widowhood increases with advancing age; by age 75, 48 percent of metro and 50 percent of nonmetro elders were widowed. The female population is more likely to be widowed. In 1996, 82 percent of nonmetro widowed persons age 60 and older were female. A person's marital status also affects whether one lives alone. The likelihood of living alone increases with advancing age; by age 75, 51 percent of nonmetro elders and nearly 48 percent of metro elders were living alone (fig. 3). Persons living alone are more likely to experience poverty.

Nonmetro Elderly Are Not Healthier Than Their Metro Counterparts

Nonmetro elders were more likely to assess their health as fair or poor (28 percent of 65- to 74-year-olds in 1994) than metro elders (24 percent) (fig. 4). With advancing age, more self-assessments of health shifted to fair or poor, and nonmetro elders continued to report poorer health than their metro counterparts. At age 75 and older, 35 percent of nonmetro and 29 percent of metro elders rated their health as fair or poor. In 1996, 27 percent of 60- to 74-year-olds in nonmetro areas and 20 percent in metro areas reported having a health problem. By age 75, this residential difference had widened; 43 percent of nonmetro elders versus 30 percent of metro elders reported health problems.

Despite differences in self-assessed health status, comparable proportions of nonmetro and metro elders were covered by Medicare; about 65 percent at ages 60-74 and 98 percent at ages 75 and above. However, nonmetro elders are more likely than metro elders to have to travel longer to reach their usual source of care. Since many nonmetro areas are deficient in health care and social services, the lesser availability of services may cause a greater number of elderly persons in nonmetro areas to have unmet needs.

Figure 2

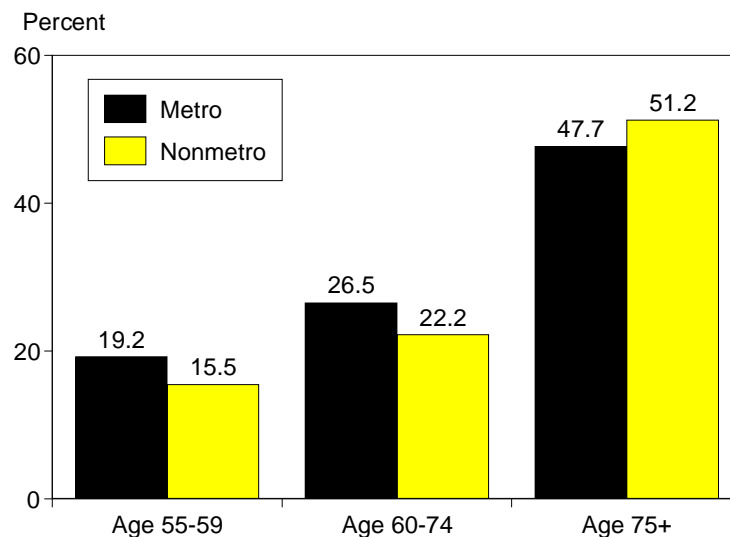
Percent distribution of persons 55 and older by marital status and residence, 1996

A pronounced increase in the percentage widowed occurs with advancing age



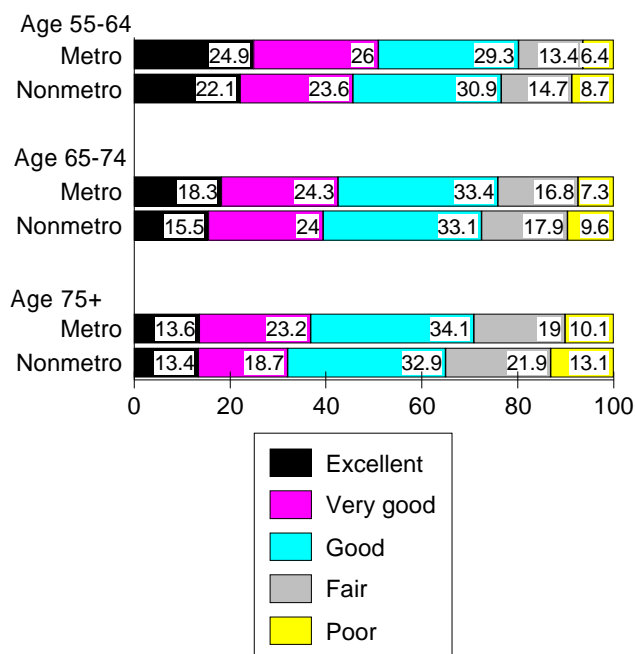
Source: 1996 March Current Population Survey (CPS) data file.

Figure 3

Percentage of persons 55 and older living alone, by residence, 1996*The likelihood of living alone increases with age, more so for nonmetro elderly persons*

Source: 1996 March Current Population Survey (CPS) data file.

Figure 4

Percent distribution of persons 55 and older by health status and residence, 1994*The nonmetro older population was more likely to assess their health as fair or poor than their metro counterparts*

Source: 1994 National Health Interview Survey (NHIS) data file.

The Nonmetro Elderly Are Less Educated Than Their Metro Counterparts

While 26 percent of metro elders age 60-74 had not graduated from high school, 36 percent of nonmetro elders had not graduated (fig. 5). An even more striking difference is found among the oldest old; 38 percent of metro and 52 percent of nonmetro elders 75 and older had not completed high school. This educational gap may have placed the nonmetro older population at a financial disadvantage throughout their working careers, resulting in higher poverty rates and lower retirement incomes.

A major shift in labor force participation occurs between ages 55-59 and 60 years and older due to retirement or partial retirement. In 1996, 63 percent of nonmetro persons age 55-59 were employed, declining to 27 percent of those age 60-74 and 5 percent of the oldest old (fig. 6). Typically, persons age 60 and older are not in the labor force because of retirement; a somewhat lower proportion of nonmetro elders was retired in 1996 than metro elders. A greater share of nonmetro elders was not in the labor force due to disability—nearly 9 percent of nonmetro persons age 60-74 were disabled, compared with 5 percent of their metro counterparts.

Nonmetro Elders Had Lower Incomes Than Metro Elders at Each Age Over 55

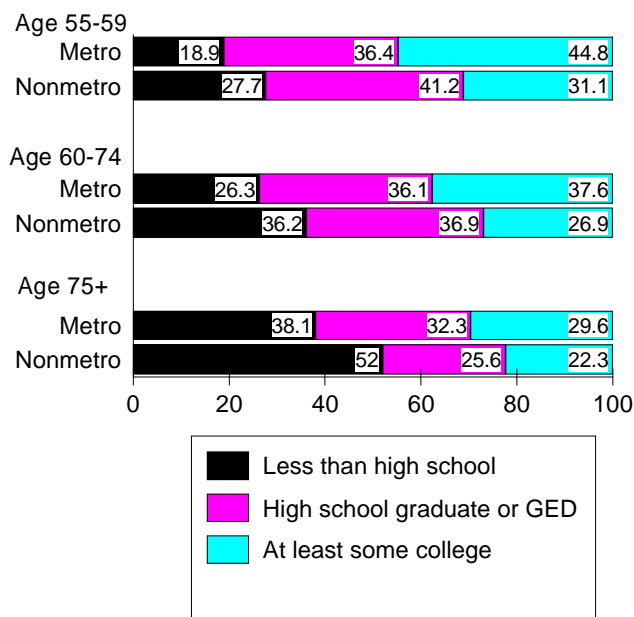
The income gap appears to have narrowed somewhat by age 75, where the median income was \$11,024 for metro and \$9,520 for nonmetro oldest old (fig. 7). Income differences by race are large. For nonmetro persons age 60-74, median income was \$11,489 in 1995; White median income was \$12,037, and Black median income was \$7,025.

Nonmetro elders depended somewhat more on Social Security income than metro elders, who were more likely to have other sources of retirement income. Among 60- to 74-year-olds, 75 percent in nonmetro areas received Social Security income compared with 69 percent in metro areas. There was less disparity at age 75 and older, though nonmetro elders were still more likely to depend on Social Security—95 percent of nonmetro and 93

Figure 5

Percent distribution of persons 55 and older by educational attainment and residence, 1996

The nonmetro older population was less educated than the metro population, with a marked educational gap among the oldest old



Source: 1996 March Current Population Survey (CPS) data file.

percent of metro elders received such income. Thirty percent of metro persons age 60 and over received retirement income other than Social Security, compared with 24 percent of nonmetro elders. Monthly Social Security benefits in 1990 averaged \$60 less for beneficiaries 65 years of age or older in nonmetro areas (\$539) than for those in metro areas (\$599).

Poverty Rates of the Nonmetro Elderly Are Higher Than Those of Metro Residents

At ages 60-74, nearly 11 percent of nonmetro elders were poor and 14 percent near-poor (100-149 percent of poverty level), compared with 9 percent poor and 10 percent near-poor among metro elders (fig. 8). The residential difference in poverty is more pronounced among the oldest old. For those 75 years and older, 42 percent of nonmetro elders were poor or near-poor, compared with 28 percent of their metro counterparts. A higher proportion of the nonmetro than metro elderly population is 75 years or older, and older age among the 60 and older population is associated with a higher likelihood of being poor.

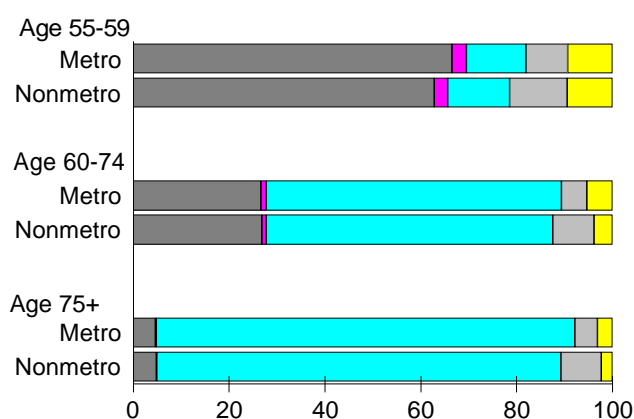
Minorities comprise a larger share of the poor older population than would be expected based upon their small representation among the elderly. In 1995, 81 percent of the poor population age 60-74 in nonmetro areas was White and 17 percent Black. A similar racial pattern is found for the oldest old—84 percent of the poor age 75 and older were White and 15 percent Black in nonmetro areas.

Older persons living alone are also more likely to be poor. Regardless of metro-nonmetro residence, 62 percent of the poverty population ages 60-74 were living alone. This is more pronounced for the oldest old, with 83 to 84 percent of the poverty population age 75 and older living alone. The elderly poor have less access to support services, good housing, adequate nutrition, and transportation, and are apt to be less healthy than their wealthier counterparts.

Figure 6

Percent distribution of persons 55 and older by labor force status and residence, 1996

Major shifts out of the labor force occur with advancing age, due to retirement and disability



Source: 1996 March Current Population Survey (CPS) data file.

The Nonmetro Elderly 65 Years and Older Are More Likely To Own Their Own Homes Than Their Metro Counterparts

In 1995, 84 percent of nonmetro households with persons age 65 and older owned their homes, compared with 76 percent in metro areas, although the nonmetro elderly's homes were typically of lower value. Housing units in nonmetro areas tend to have more physical problems than those in metro areas. In 1995, nearly 6 percent of elderly housing units in nonmetro areas had moderate physical problems and 3 percent had severe problems. This compares with 3 percent of metro elderly housing units having moderate problems and 2 percent severe physical problems.

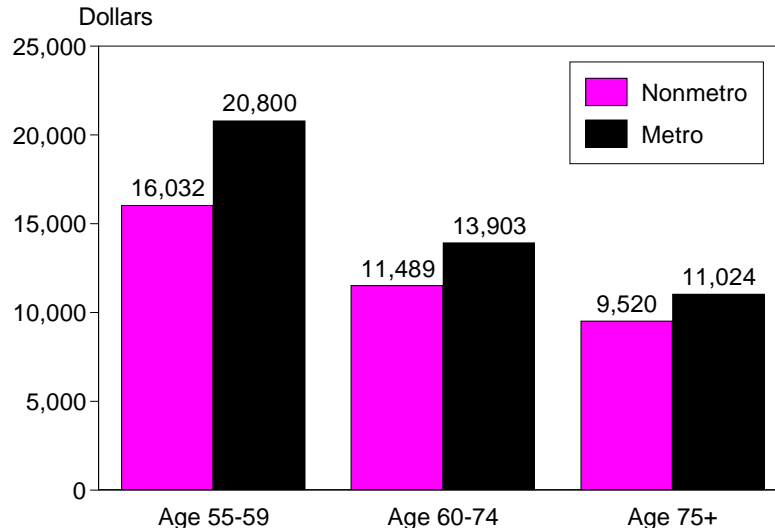
The U.S. population continues to age; the growth rate of the older population will be relatively modest over the next decade, but when the Baby Boom generation begins turning 65 in 2011, this segment of the population will experience rapid growth rates. The older population is widely distributed throughout the country, although nonmetro areas generally have higher proportions of the population age 60 and older. Issues such as access to medical and social services are more critical for the nonmetro elderly due to the lesser availability of such services in low-density areas. Because of the diversity in the nonmetro population and differing patterns of growth in the nonmetro elderly, local communities will need to adapt different strategies and policies to meet the needs of the elderly.

[Carolyn C. Rogers, 202-501-8107 (after October 24, 202-694-5436), crogers@econ.ag.gov]

Figure 7

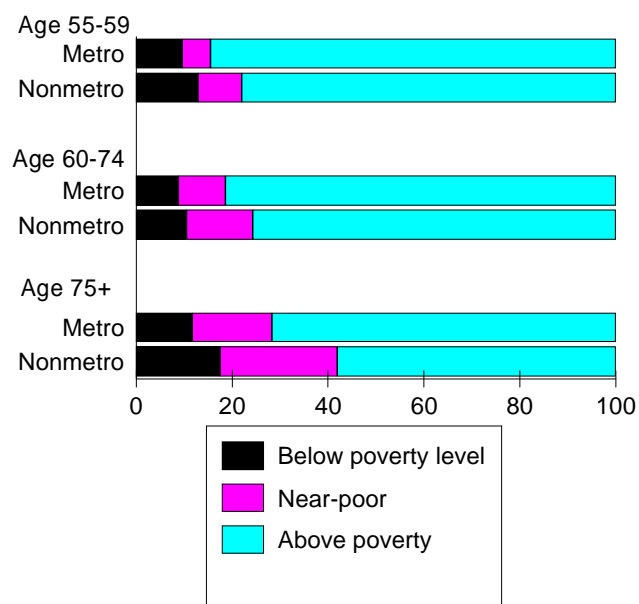
Median income of persons 55 and older by residence, 1996

The median income of the nonmetro elderly was lower than that of the metro elderly



Source: 1996 March Current Population Survey (CPS) data file.

Figure 8

Percent distribution of persons 55 and older by poverty status and residence, 1996*A larger proportion of the nonmetro elderly are poor or near-poor*

Source: 1996 March Current Population Survey (CPS) data file.

Fewer Immigrants Settle in Nonmetro Areas and Most Fare Less Well than Metro Immigrants

Recent attention to the issue of immigration in the United States has led to the addition of questions about immigration status to the Current Population Survey. Data from the March 1996 version show that Mexico has been the single largest source of immigration to the nonmetro United States, that a large proportion of nonmetro immigrants are children, and that nonmetro immigrants generally have lower earnings, higher unemployment, and higher poverty rates than metro immigrants and nonmetro natives. Fewer immigrants live in nonmetro areas than in metro, but they are concentrated in particular areas.

Current debate on such issues as immigration and welfare reform has brought increased attention to the need for information on the characteristics of the immigrant population in the United States. In 1996, 24.6 million persons in the United States were foreign-born, representing 9 percent of the U.S. population. Although most foreign-born persons (95 percent) resided in metro areas, comprising 11 percent of the metro population, immigrants who settled in nonmetro areas were concentrated in a few places. While comprising only 2 percent of the total nonmetro population, immigration patterns that follow employment opportunities and kinship and community migration networks have led to relatively dense pockets of nonmetro immigrant settlement. In the small towns and communities of rural America, such concentrations may have significant social and economic effects on host communities.

For example, in Imperial County, California, along the border with Mexico, 40 percent of the county's 30-percent population increase since 1990 has been the result of immigration. Similarly, in two Texas border counties, Maverick and Starr, over 40 percent of their population increases since 1990 (28 percent in Maverick; 33 percent in Starr) have been the result of immigration. Finney County, Kansas, the site of large meatpacking facilities, has seen a population increase of 7.5 percent since 1990, over 50 percent of it the result of immigration.

As these figures suggest, immigrants residing in nonmetro areas in 1996 were not evenly distributed throughout the United States. Thirty-seven percent of all nonmetro immigrants lived in the South, followed by 35 percent in the West and 14 percent each in the Northeast and the Midwest (fig. 1). These regional distributions, however, obscure concentration of nonmetro immigrant settlement in particular States. In the South, for example, Texas, home to 17 percent of the total U.S. nonmetro immigrant population, accounted for 46 percent of all nonmetro immigrants residing in the South. North Carolina, with the second largest proportion of immigrant residents in the South, was home to only 12 percent of that region's nonmetro immigrant population. Overall, only 2 percent of the nonmetro population in the South were immigrant. The West had the largest proportion of nonmetro immigrant population—7 percent—followed by the Northeast with 3 percent. In the Midwest, only 1 percent of the nonmetro population were foreign-born.

Metro immigrants displayed a slightly different pattern, reflecting the location of the urban centers that are home to the highest proportions of immigrants—Los Angeles, New York, and Miami.

Mexico Largest Single Source of Nonmetro Immigrants

Mexico has been the largest source of nonmetro immigrants in recent years, and the proportion of nonmetro immigrants coming from Mexico has been increasing, from 40 percent for immigrants arriving before 1980, to 48 percent for immigrants of the 1980's and 57 percent of those who have arrived in the 1990's (fig. 2). Asia has risen from being the third largest source of nonmetro immigrants who entered the United States before 1980 to the second largest source for more recent immigrants. Meanwhile, Europe has fallen behind both Asia, and Central and South America and the Caribbean as a source of nonmetro immigrants since 1980.

The proportion of metro immigrants from Mexico has remained consistently around one-fourth. A larger proportion of metro than nonmetro immigrants has come from countries in Central and South America, and the decline of European immigrants and the rise of Asian immigrants has been much more pronounced among metro immigrants.

Older Immigrants More Often Naturalized Citizens than Younger Immigrants. . .

Many characteristics of immigrants depend on when they arrived in the United States and on whether or not they become naturalized citizens or remain noncitizens. Year of entry and citizenship status are somewhat interdependent, since adult immigrants must live in the United States for at least 5 years before becoming eligible for naturalization; the more recent the immigrant, the less likely he or she will be naturalized simply on procedural grounds. Foreign-born children of immigrants generally become citizens when their parents are naturalized; U.S.-born children of immigrants become citizens at birth and are not included in the immigrant population.

Regardless of year of entry, however, nonmetro immigrants were more likely to be naturalized citizens (37 percent) than metro immigrants (32 percent). Older immigrants also were more likely to have become naturalized citizens. Among those age 35 and older, for both nonmetro and metro residences and all years of entry, immigrants who had become naturalized outnumbered those who had remained noncitizens, unlike those in younger age groups. Thus, measures of the characteristics of naturalized citizens, who generally fare better than noncitizens in such areas as educational achievement, earnings, and poverty status, partially reflect their older age structure.

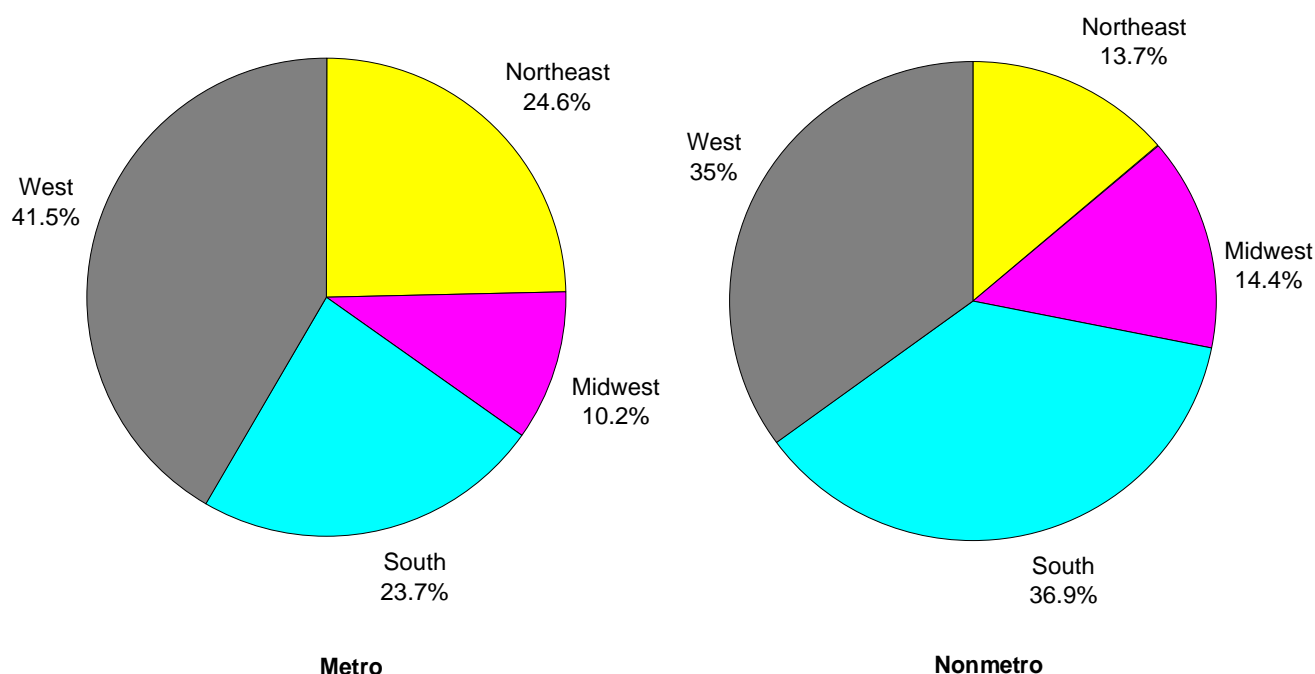
. . .but Many Recent Nonmetro Immigrants, Naturalized and Noncitizen, Are Children

A striking age difference appeared between metro and nonmetro immigrants who entered the United States since 1980, as well as between nonmetro immigrants and the native nonmetro population. Among nonmetro immigrants, 38 percent of naturalized citizens and 24 percent of noncitizens were under 18, compared with 12 percent of naturalized citizens and 19 percent of noncitizens in the metro immigrant population and 28 percent

Figure 1

Foreign-born population by region, 1996

Nonmetro immigrants are concentrated in the South and West



Source: Calculated by ERS using data from the March 1996 Current Population Survey.

in the native nonmetro population (fig. 3). This large proportion of children among non-metro immigrants, especially among citizens, may have implications for the cost of immigration in nonmetro communities, particularly for public education.

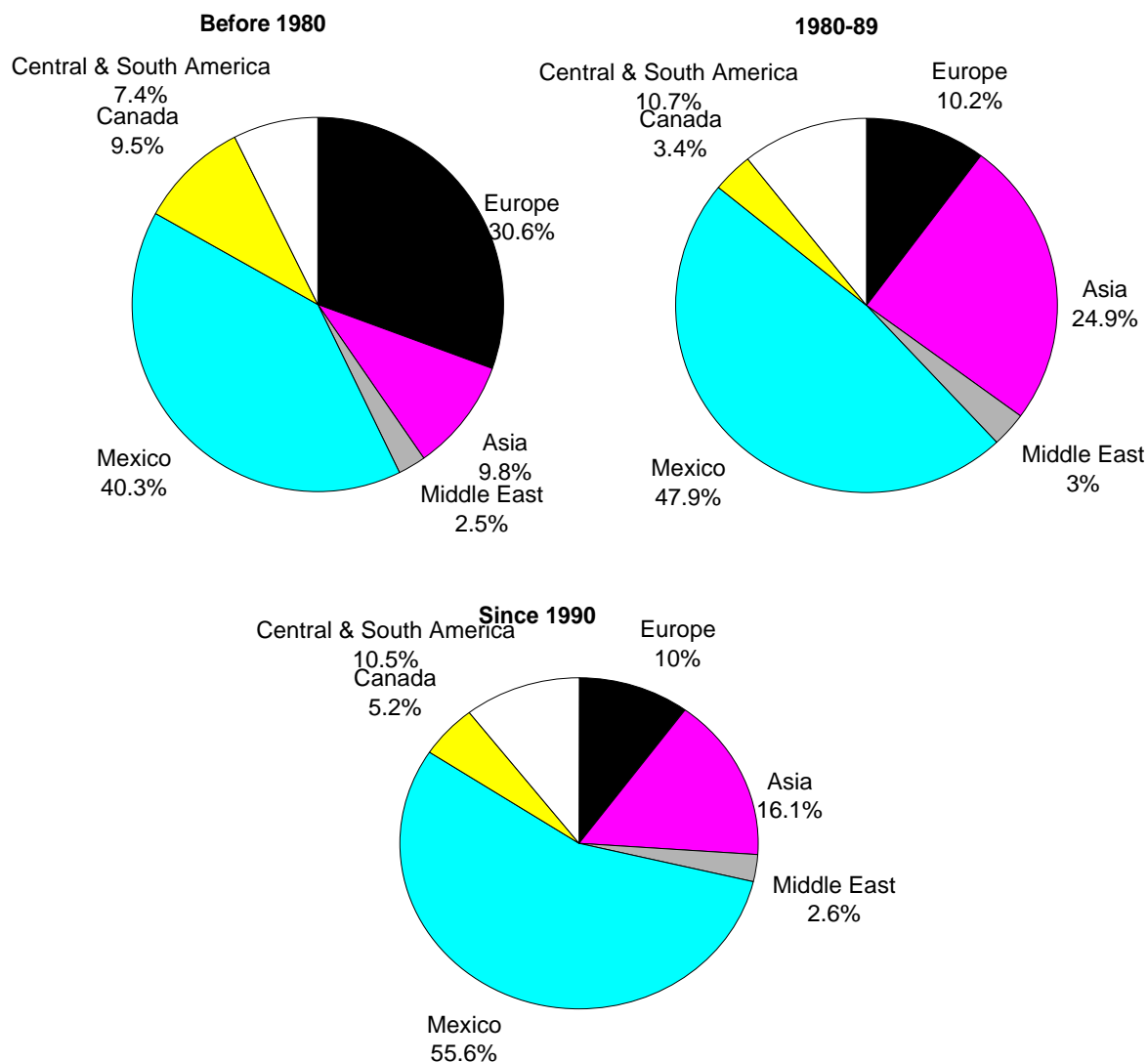
Nonmetro Immigrants Less Likely Than Metro To Have Finished High School or College

Nonmetro immigrants age 25 and older were generally less likely than their metro counterparts to have finished high school or college and the difference has become more pronounced among more recent immigrants. Metro immigrants who have arrived since 1980 include decreasing proportions with less than a high school education, while among non-metro immigrants, that proportion has remained steady.

Figure 2

Country of origin of nonmetro foreign-born persons

Immigration from Mexico and Asia has increased while immigration from Europe has declined



Source: Calculated by ERS using data from the March 1996 Current Population Survey.

Citizenship status affected this generalization, however. Those nonmetro immigrants who had become naturalized citizens reported higher levels of educational achievement than metro immigrants who remained noncitizens.

Occupations of Nonmetro Immigrants Vary by When They Entered the United States

A fairly large share of employed naturalized immigrants in nonmetro areas who entered the country before 1990 worked in managerial and professional occupations (14 percent managerial, 17 percent professional, compared with 9 and 11 percent, respectively, of nonmetro natives). This reflects both special immigration provisions for workers with relatively scarce professional skills and the amount of time these earlier immigrants have had in the United States to become established in such occupations. Naturalized nonmetro immigrants also frequently reported service, craft and repair, and machine operator and assembler occupations. Among this group of earlier nonmetro immigrants, those who remained noncitizens most commonly worked in machine operation and assembly (16 percent); craft and repair (15 percent); farming, forestry, and fishing (14 percent); and service (13 percent) occupations.

More recent nonmetro immigrants (since 1990) worked in somewhat different occupations. Among those who had become naturalized citizens, the largest concentration worked in farming, forestry, and fishing (18 percent). Other frequently reported occupations among this group included clerical (18 percent), sales (12 percent), and transportation (10 percent). Among recent nonmetro immigrants who still remained noncitizens, the most frequently reported occupations were service (15 percent) and transportation (14 percent).

Metro immigrants, regardless of year of entry, reported higher proportions working in service, clerical, and technical occupations than in other sectors; nonmetro natives reported clerical and sales occupations more frequently than did nonmetro immigrants, and showed a much more even distribution across occupational categories than did immigrants.

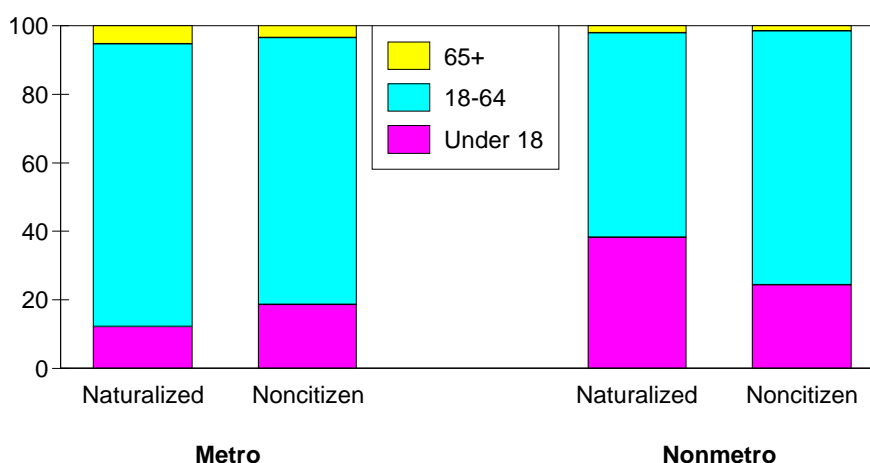
Nonmetro Immigrants Have Lower Median Earnings Than Metro Immigrants and Nonmetro Natives

Median earnings varied considerably between metro and nonmetro residence, but the benefit of metro residence was greatest for immigrants who had been in the country the longest. Median earnings for nonmetro immigrants who entered the United States before

Figure 3

Age distribution of the foreign-born population entering since 1980

Proportion of children is higher among nonmetro than metro immigrants



Source: Calculated by ERS using data from the March 1996 Current Population Survey.

1980 were only 76 percent of that for immigrants in metro areas. For immigrants who entered between 1980 and 1989, however, median earnings for nonmetro residents were 86 percent of the metro median, and for the most recent immigrants (arrived since 1990), nonmetro residents earned 89 percent of the median for metro residents.

This increasing similarity of median earnings between metro and nonmetro immigrants as time in the United States decreased reflects proportionately lower earnings for more recently arrived immigrants to metro areas than for nonmetro immigrants. Median earnings for metro immigrants who arrived before 1980 reached \$21,000, compared with \$16,000 for the same nonmetro group. For those metro immigrants who arrived during the 1980's, the median reached only \$15,000, compared with \$13,000 for nonmetro immigrants who entered during that decade. Among the most recent immigrants, metro median earnings were only \$11,840, compared with \$10,533 for recent nonmetro immigrants.

Nonmetro naturalized citizens fared better than nonmetro noncitizens, however. In all year-of-entry categories, nonmetro naturalized citizens had higher median earnings than the median for nonmetro natives, possibly reflecting the high frequency of well-paid managerial and professional occupations among naturalized citizens in nonmetro areas. Noncitizens, in contrast, had lower median earnings than nonmetro natives across all year-of-entry categories.

Unemployment and Poverty Rates Highest for Nonmetro Immigrants

Earnings may have been affected by the fact that nonmetro immigrants were more likely to be unemployed than metro immigrants and nonmetro natives, particularly if they were noncitizens. The highest unemployment rates were for recent (since 1990) nonmetro immigrants (10 percent of naturalized citizens; 11.4 percent of noncitizens). Least likely to be unemployed were metro immigrants who entered before 1980 (5.4 percent for noncitizens; 2.4 percent for naturalized citizens).

As a result of lower earnings, a larger proportion of immigrants than natives were below the poverty line in both metro and nonmetro areas. Poverty rates were higher for noncitizens in both metro and nonmetro areas and were highest for immigrants who had been in the country the shortest time. For all but the most recent immigrants (arrived since 1990), rates were highest in nonmetro areas.

Nonmetro Immigrants Generally Receive Government Assistance at Lower Rates than Metro Immigrants

Nonmetro immigrants across all year-of-entry categories received public assistance income, including Aid to Families with Dependent Children (AFDC), at about the same rate (2.3 percent) as natives (2.2 percent) and at a lower rate than metro immigrants (3.1 percent) (fig. 4). Within year-of-entry categories, those nonmetro immigrants who came to the United States before 1980 and those who arrived since 1990 received public assistance at lower rates than natives (1.2 percent and 1.6 percent, respectively), while nonmetro immigrants who arrived during the 1980's received public assistance at a higher rate (3.7 percent) than natives. For metro immigrants, the pattern was slightly different, with a relatively low rate for those arriving before 1980 (1.9 percent, below the native metro rate of 2.4 percent), but with similar rates for those arriving in the 1980's (3.7 percent) and 1990's (3.4 percent).

The rates for receipt of Food Stamps, a noncash benefit, followed a different pattern. For all nonmetro immigrants, the rate for receipt of Food Stamps (12.6 percent) exceeded that for nonmetro natives (11.5 percent), although remaining, like cash assistance, below that for metro immigrants (17.4 percent) (fig. 4). When examined by year-of-entry categories, nonmetro immigrants who arrived before 1980 had the lowest rate (2.7 percent), well below that for native residents. Nonmetro immigrants who arrived after 1990 received Food Stamps at a higher rate (14.3 percent) than natives, but at a much lower rate than nonmetro immigrants who arrived during the 1980's (20.4 percent).

The earliest metro immigrants, those who arrived before 1980, had a higher rate of Food Stamp use (7.4 percent) than nonmetro immigrants, although still below the native metro rate (10 percent). Metro immigrants who arrived in the 1980's received Food Stamps at a lower rate (13.9 percent) than did those who arrived in the 1990's (16.2 percent).

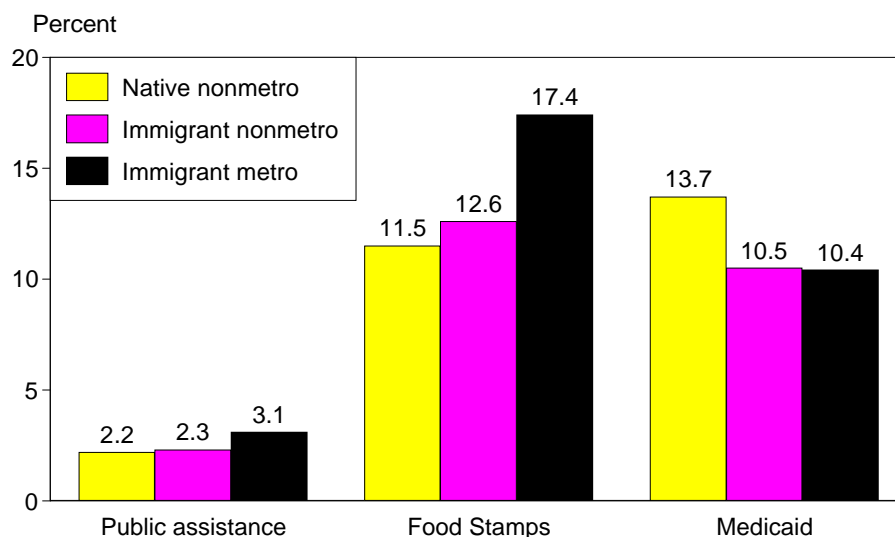
Metro and nonmetro immigrants received Medicaid, another noncash benefit, at the same rate (10.4 percent and 10.5 percent), and both rates were below those for metro and nonmetro natives (11.5 percent and 13.7 percent) (fig. 4). Similar to the pattern for Food Stamp use, nonmetro immigrants who entered during the 1980's had the highest rate of Medicaid use (18.2 percent), followed among nonmetro immigrants by those who arrived in the 1990's (9.1 percent) and those who arrived before 1980 (6.1 percent). For metro immigrants, the highest rate for receipt of Medicaid benefits occurred among immigrants who arrived in the 1990's (16.9 percent), followed by those who arrived in the 1980's (13.5 percent) and those who arrived before 1980 (9 percent).

New eligibility rules for both income assistance and noncash benefit programs under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (commonly known as the Welfare Reform law) will affect receipt of government assistance by noncitizen immigrants. Because nonmetro immigrants overall have received such assistance at lower rates than metro immigrants, these changes may have a smaller impact in nonmetro areas. Moreover, the new welfare eligibility rules allow noncitizen immigrants who have worked or whose spouse or parents have worked for at least 10 years (40 quarters), to continue to receive government assistance. This may further reduce the impact of rule changes on nonmetro areas since the highest rate of receipt among nonmetro immigrants of both income and noncash benefits was for those who arrived in the 1980's, many of whom may qualify to retain benefits. On the other hand, the greater prevalence of seasonal agricultural workers among the nonmetro immigrant population may cause the rule changes to have a greater effect in some areas, since minimum continuous work requirements may be harder for them to document. [Anne B. W. Efland, 202-501-8448 (after October 31, 202-694-5319), aeffland@econ.ag.gov, and Margaret A. Butler, 202-219-0534 (after October 24, 202-694-5417), mbutler@econ.ag.gov]

Figure 4

Foreign-born and native nonmetro population receiving government assistance

Nonmetro immigrants receive most government assistance at lower rates than metro immigrants



Source: Calculated by ERS using data from the March 1996 Current Population Survey.

Births to Unmarried Mothers Are Rising Faster in Rural Areas

The proportion of births to unmarried mothers is higher in urban areas but rising faster in rural areas. Unmarried teenagers accounted for one of every nine births in rural areas in 1994, a larger share than in urban areas.

The proportion of births to unmarried mothers has been rising in the United States since the 1960's. By 1994, nearly one-third of all U.S. births occurred outside marriage. The reasons for the rise in nonmarital births are not entirely clear, but the increase has been accompanied by major changes in attitudes toward marriage and sexual behavior. Many observers regard the shift of childbearing outside marriage as an indication of the breakdown of the traditional family. The increase in nonmarital births has provoked great concern among policymakers because children raised in single-parent families are less likely to do well in school or find regular jobs than children from two-parent families.

Urban-Rural Differences in Nonmarital Childbearing Have Narrowed

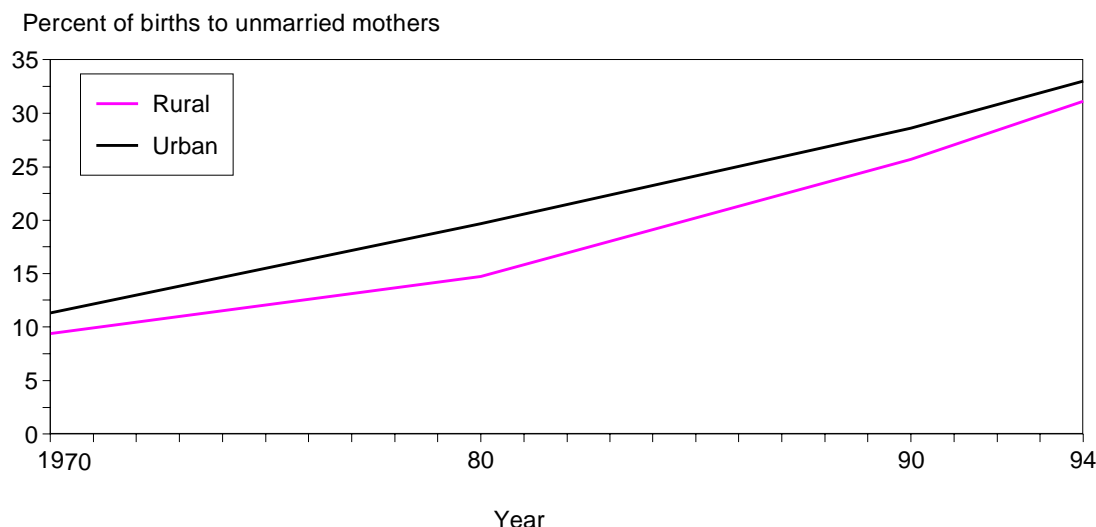
Rural residents tend to have more traditional beliefs about marriage and sexual behavior than urban residents, and are more likely to be married. Nevertheless, childbearing outside marriage has increased in rural areas as well as urban areas during the past quarter-century (fig. 1). The proportion of nonmarital births has remained higher in urban areas but has increased more rapidly in rural areas since 1980, narrowing the urban-rural difference in nonmarital childbearing. By 1994, unmarried mothers accounted for 31 percent of rural births and 33 percent of urban births.

Nonmarital childbearing has increased among both Blacks and Whites, but is far more common among Blacks. At the national level, nearly three-fourths of Black births occurred to unmarried mothers in 1994, compared with one-fourth of White births. The racial difference in nonmarital childbearing contributed to the higher proportion of nonmarital births in urban areas because Blacks represent a larger share of the urban than rural population. However, there was little difference in the trend in nonmarital childbearing between urban and rural Blacks or between urban and rural Whites (fig. 2). In fact, urban-rural differences in the proportion of nonmarital births have diminished among

Figure 1

Trend in nonmarital births, 1970-94

Nonmarital births have risen faster in rural areas since 1980



Source: Calculated by ERS based on data from the 1970, 1980, 1990, and 1994 Natality Detail Files. Data for 1970 exclude 10 States that did not report marital status.

Whites and reversed among Blacks since 1980. By 1994, rural Blacks had a higher ratio of nonmarital births (73 percent) than urban Blacks (70 percent).

Unmarried Teenagers Account for More Births in Rural Areas

Fewer than one-third of unmarried mothers were under age 20 in 1994, although unmarried motherhood is often perceived as a teenage problem. However, rural unmarried mothers were more likely to be teenagers than their urban counterparts (fig. 3).

Unmarried teenagers consequently accounted for a larger and more rapidly growing share of rural than urban births (fig. 4). By 1994, 1 of every 9 infants born in rural areas had an unmarried teenage mother, compared with 1 of every 10 urban infants. Births to unmarried teenagers have become a public problem because few teenage girls have the economic resources or parenting skills needed to raise a child without assistance from older relatives, schools, or welfare agencies.

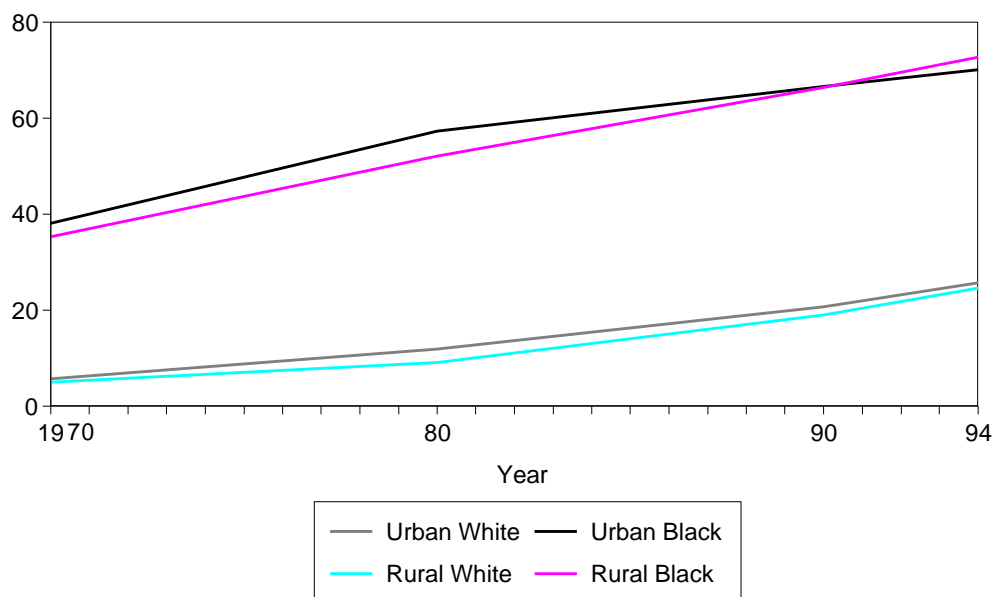
One of the goals of the new welfare law (formally known as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) is to reduce the incidence of nonmarital pregnancies. The law requires States to develop plans to reduce nonmarital pregnancies with a special emphasis on teenagers, and authorizes a total of \$100 million in bonus payments each year during 1999-2002 for the States achieving the greatest reduction in nonmarital births. Successful programs to prevent teenage pregnancies could result in a greater reduction in nonmarital births in rural than urban areas because teenagers represent a higher proportion of unmarried mothers in rural areas. Still, rural States may face

Figure 2

Nonmarital births by race, 1970-94

Blacks have relatively more births outside marriage than Whites

Percent of births to unmarried mothers



Source: Calculated by ERS based on data from the 1970, 1980, 1990, and 1994 Natality Detail Files. Data for 1970 exclude 10 States that did not report marital status.

greater challenges in reducing nonmarital births than urban States due to the more rapid rise in nonmarital childbearing in rural areas.

Nonmarital Birth Rate Is Slightly Higher in Rural Areas

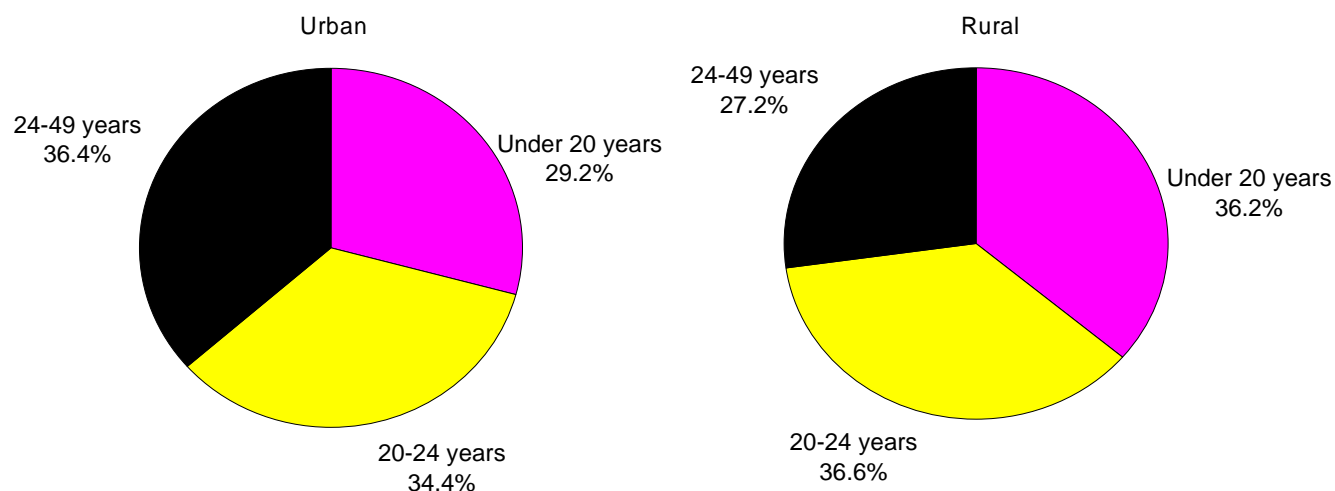
The proportion of births to unmarried women depends on three demographic factors: the proportion of women of childbearing age who are married, the birth rate for married women, and the birth rate for unmarried women. All three factors differed between urban and rural areas in 1994 (table 1). Rural women were more likely to be married than urban women, reducing the proportion of women at risk of a nonmarital birth in rural areas. However, the marital birth rate was lower in rural areas, reducing the number of married births despite the higher proportion of married women. In contrast, the nonmarital birth rate was slightly higher in rural areas, increasing the number of nonmarital births even though relatively fewer rural women were unmarried. The net result of these three factors was a lower proportion of nonmarital births in rural than urban areas.

The small difference between the nonmarital birth rate in urban and rural areas suggests that place of residence does not have a major effect on nonmarital childbearing. The lower marital birth rate in rural than urban areas is a surprising finding, and may mark a historic reversal of the traditional pattern of higher rural fertility. Possible causes of this reversal include the recent influx of foreign immigrant populations with high birth rates into urban areas, and the onset of delayed childbearing by older urban women who had previously postponed births while they pursued careers. [Paul D. Frenzen, 202-501-7925 (after October 24, 202-694-5446), pfrenzen@econ.ag.gov, and Margaret A. Butler, 202-219-0534 (after October 24, 202-694-5417), mbutler@econ.ag.gov]

Figure 3

Nonmarital births by mother's age, 1994

A higher proportion of unmarried mothers were teenagers in rural areas

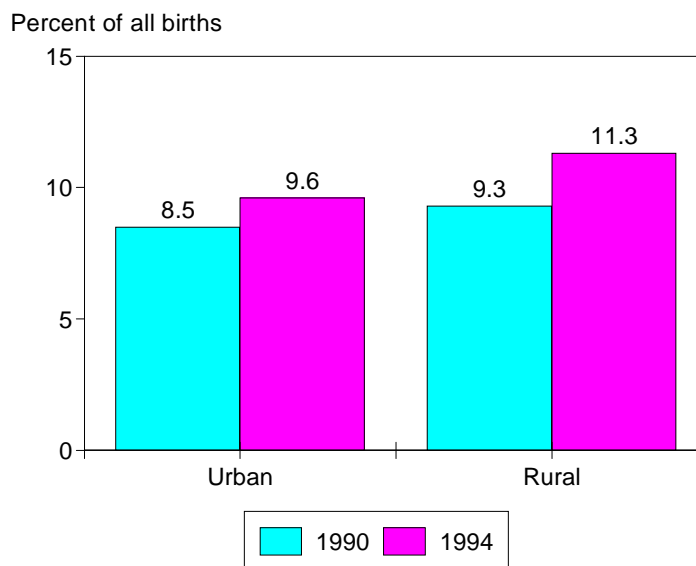


Source: Calculated by ERS based on data from the 1994 Natality Detail File.

Figure 4

Proportion of all births to unmarried teenagers, 1990 and 1994

Unmarried teenagers were responsible for a large and increasing share of all births in rural areas



Source: Calculated by ERS based on data from the 1990 and 1994 Natality Detail Files.

Table 1

Determinants of nonmarital births in 1994

The demographic factors that determine the proportion of nonmarital births differ between urban and rural areas.

Women age 15-44	Urban areas	Rural areas
Proportion married (Percent)	48.5	54.8
Births per 1,000 married women	92.8	80.8
Births per 1,000 unmarried women	42.7	43.8

Source: Calculated by ERS based on data from the 1994 Natality Detail File, 1990-94, estimates of the Population of Counties, and the March 1994 Current Population Survey.

How Rural Areas Were Identified

This article uses the 1983 U.S. Office of Management and Budget (OMB) definition of metropolitan areas to distinguish urban and rural areas, unlike other articles in this issue that employ the 1993 update of the OMB definition. Recent urban-rural differences in nonmarital birth rates could only be examined using the 1983 OMB definition due to the limitations of the data on marital status (see Data Sources appendix). Therefore, trends in the proportion of nonmarital births were also tabulated by the 1983 definition in order to provide a consistent picture of urban and rural patterns.

Rural Housing Conditions Improve but Affordability Continues To Be a Problem

Rural housing quality has improved over time and rural-urban differences in housing adequacy have all but disappeared. Yet 1.6 million rural households live in housing classified as substandard. At the same time, substantial proportions of both rural and urban households are burdened by housing costs that exceed 30 percent of their income.

Many rural areas have grown both economically and in population during the 1990's. New settlement patterns showing increased metro-to-nonmetro migration have raised questions about the adequacy of existing housing and amenities to meet this population and employment growth. In many rural communities, increased demands for water, sewerage, and other economic and social services have strained local resources. Also, the housing cost burden (housing costs as a proportion of income) continues to be a major problem across the United States. Newly released data from the 1995 American Housing Survey indicate that despite improvements and a narrowing of the rural-urban gap in rural housing conditions, issues related to both housing quality and affordability continue to affect a substantial number of rural households.

Rural Housing Increases at a Slower Rate Than Urban

According to data from the 1995 American Housing Survey, nonmetropolitan areas contained a total of 21.6 million occupied, year-round housing units (table 1), comprising about 22 percent of total occupied housing in the United States. Nonmetro occupied housing stock (housing units occupied by owners or renters) has increased over time, but at a slower rate than that of metro areas. Between 1985 and 1993, occupied nonmetro housing increased by over a million units, a gain of 5.2 percent. (The 1995 data are not strictly comparable with earlier years because of a change in the metro-nonmetro definition.) The largest increase occurred in the West, an area with high population and employment growth during this time period. Housing stock in metro areas grew at a faster rate of 7.7 percent over the 8-year period, reflecting a substantially higher metro population growth during the 1980's and slightly higher metro population growth in the early 1990's. Most of this increase in both metro and nonmetro areas was in owner-occupied units.

Housing Stock and Household Characteristics Differ Between Rural and Urban Areas

Nonmetro areas have higher percentages of single-family detached dwellings, mobile homes, and seasonal units such as vacation homes; higher rates of home ownership; and less crowding in terms of persons per room than in metro areas. At the same time, housing units in nonmetro areas are also more likely to lack complete plumbing, a private bath, and a complete kitchen, and to have electrical defects, such as exposed wiring and rooms without electrical outlets, compared with metro units. However, each of these problems is present in less than 4 percent of the units in either metro or nonmetro areas. Owner-occupied nonmetro units have lower median values, lower property taxes, and require lower monthly housing expenditures than metro units. The median rent is lower in nonmetro areas as well.

Population and housing characteristics are inextricably linked and rural-urban differences in household composition and characteristics are important for understanding the supply of and demand for housing in rural and urban areas. Rural households as a group differ from urban households in that they are more likely to be husband-wife families and to be headed by an elderly person (over 65). They are less likely to have female householders or to consist of a young single individual than are urban households. Rural householders are more likely to be White and their educational levels tend to be lower than those of their urban counterparts. Nonmetro household income is lower than that of metro areas, and nonmetro households were more likely to be in poverty or in near-poverty (with incomes between the poverty level and 200 percent of the poverty level) than metro households in 1995.

Rural-Urban Differences in Housing Quality Are Minimal

Nonmetro housing appears to have no greater problems of housing quality than metro housing. Less than 2 percent of either metro or nonmetro units lack complete plumbing facilities—a traditional indicator of housing quality. A second criterion—crowding—also shows little rural-urban difference. A unit is considered crowded if the person-per-room ratio is greater than 1:1. The incidence of overcrowding in nonmetro areas was less than 2 percent, and less than 3 percent in metro areas (fig. 1).

A third indicator of housing quality measures moderate or serious housing inadequacy based on the combined severity of problems with plumbing, heating, upkeep, hallways, and electricity. About 92 percent of nonmetro and 94 percent of metro units were classified as physically adequate using this measure. Both the number and proportion of households living in physically inadequate housing has declined over time and the rural-urban gap has diminished. Almost 1.8 million housing units in nonmetro areas were considered to be moderately or seriously inadequate in 1995.

Table 1

Household and housing unit characteristics, 1995

Nonmetro areas have higher percentages of single-family detached dwellings and mobile homes, and higher rates of home ownership than metro areas

Characteristics	Nonmetro	Metro
	1,000	
Total occupied housing units:	21,586	76,107
	Percent	
Single unit	74.7	66.0
With 2-9 units	8.7	16.1
With 10 or more units	3.0	13.7
Mobile homes/trailers	13.6	4.2
Owner-occupied	73.5	62.7
Renter-occupied	26.5	37.3
Married couples with children	55.5	50.9
Other male householder	16.4	19.0
Other female householder	28.1	30.1
Below poverty level	17.5	14.4
Near poverty (between poverty and 200 percent of poverty level)	24.1	17.7
Other	58.4	67.9
Householder characteristics:		
Age under 45 years	42.2	49.9
Age 46-64	31.1	30.3
Age 65 and over	26.7	19.8
Less than high school graduation	25.3	17.5
High school diploma or GED	40.4	32.4
Some college	34.3	50.1
White, non-Hispanic	87.7	73.8
Black and other	9.3	17.0
Hispanic	3.0	9.2

Source: Calculated by ERS using data from the American Housing Survey.

This composite indicator is only a loose proxy for substandard housing. For example, over half of the nonmetro units with broken plaster or peeling paint were classified as adequate, as were 92 percent of units reporting basement leaks, 53 percent of those reporting open cracks or holes in walls or floors, and 73 percent reporting inadequate heat due to equipment breakdowns.

Housing Cost Burdens Remain High for Both Rural and Urban Households

The gap between what people can afford to pay and the cost of housing is a major housing problem throughout the United States. Housing cost burdens are generally measured as a percentage of gross household income. During the 1960's, in the early days of the public housing program, housing costs above 20 percent of income were considered burdensome. Since the early 1980's, the Department of Housing and Urban Development has defined moderate cost burdens as those between 30 and 50 percent of income, and severe cost burdens as those above 50 percent. Percent of income paid for housing is only a rough proxy for housing affordability. Clearly, the proportion of one's income that is affordable for housing depends both on one's income level and other basic needs.

Rural households are less likely to have moderate or severe housing cost burdens than urban residents. Housing costs include expenses for mortgages, rents, real estate taxes, property insurance, condominium and homeowners' fees, utilities, fuels, and trash collection. Although incomes in rural areas tend to be lower than in urban areas, housing costs are also lower. In 1995, median income of families and primary individuals in nonmetro areas was \$25,942, compared with \$26,567 in metro central cities and \$35,996 in metro suburbs. But monthly housing costs in nonmetro areas were relatively low, with a median of \$377, compared with \$545 in central cities and \$652 in suburbs of metro areas.

Even so, over 4.8 million nonmetro households, or 24 percent of the total, paid more than 30 percent of their incomes for housing (fig. 2). Nearly 1 in 10 nonmetro households spent over half of their income on housing. For these households, there can be little left over for other living expenses. An even greater proportion (33 percent) of metro households experienced moderate or severe cost burdens. The proportions of metro and nonmetro households with these high housing costs have remained relatively constant since 1985.

Poverty thresholds are probably better measures of ability to pay for housing since they account for differences in household size. About 71 percent of poor nonmetro households had moderate or severe cost burdens. High cost burdens in rural areas were primarily a factor of low income rather than high housing costs. Almost 60 percent of those nonmetro households with high cost burdens paid less than \$500 monthly for their housing costs.

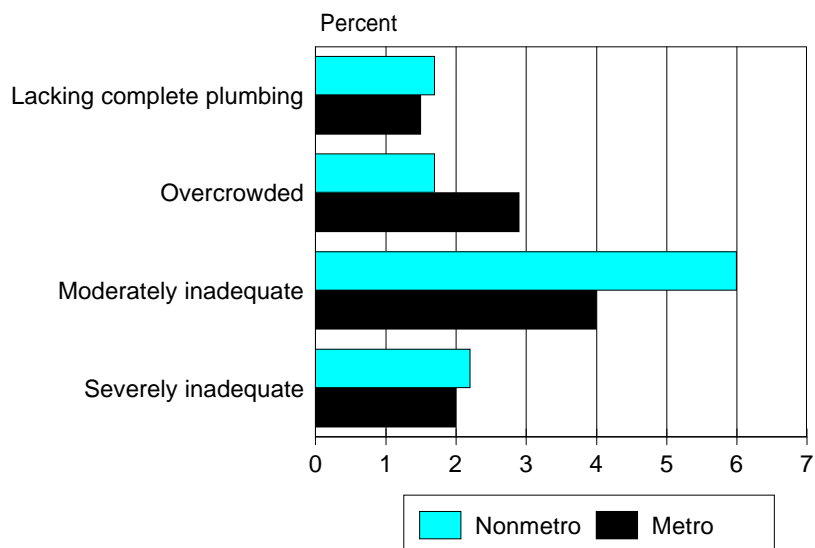
Housing Quality and Affordability Are Issues in Both Areas

While it is true that housing conditions have improved over time and that rural-urban differences in housing adequacy have all but disappeared, almost 1.8 million nonmetro and 4.6 million metro households live in housing classified as substandard. Substantial proportions of both rural and urban households have housing expenses that exceed 30 percent of their income, although this problem is less serious in rural than urban areas. Finally, the national data presented here mask considerable regional diversity in housing conditions and affordability, as well as unique housing problems faced by such population groups as the elderly, single-parent families, young beginning households, and racial/ethnic minority groups. Housing problems of quality and affordability for these population groups and for rural residents of some regions are more serious than the national trends depict. [*Leslie A. Whitener, 202-219-0935 (after October 24, 202-694-5442), whitener@econ.ag.gov*]

Figure 1

Indicators of rural housing quality, 1995

Metro-nonmetro differences in housing quality are minimal

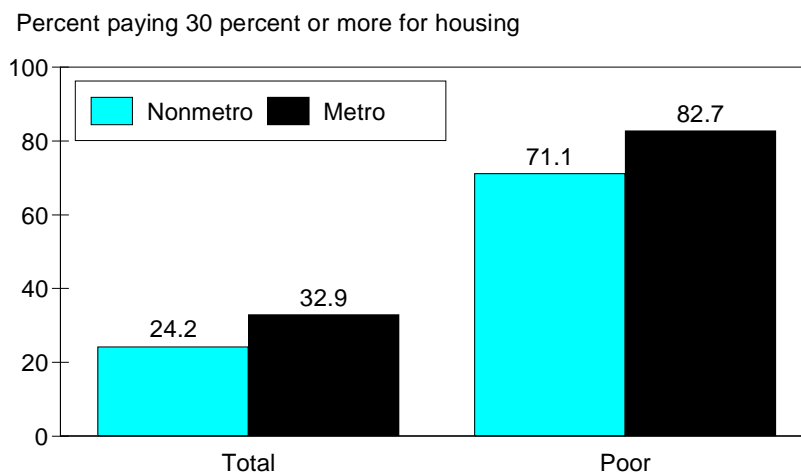


Source: Calculated by ERS using data from the American Housing Survey.

Figure 2

Housing cost burdens by poverty status, 1995

Large proportions of both metro and nonmetro households paid 30 percent or more of their income for housing costs



Note: Excludes households paying no cash rent, or having zero or negative income.

Source: Calculated by ERS using data from the American Housing Survey.

Housing Quality Measures

Lacking complete plumbing facilities: The housing unit does not have all three specified plumbing facilities (hot and cold piped water, flush toilet, and bathtub or shower) inside the housing unit, or the toilet or bathing facilities are also for the use of the occupants of other housing units.

Crowded housing unit: A housing unit is considered crowded if the person-per-room ratio is greater than 1:1.

Severely inadequate housing: A housing unit has severe physical problems if it has any of the following five problems:

Plumbing. Lacking hot or cold piped water or a flush toilet, or lacking both bathtub and shower, all inside the structure for the exclusive use of the unit.

Heating. Having been uncomfortably cold last winter for 24 hours or more because the heating equipment broke down, breaking down at least three times last winter for at least 6 hours each time.

Electric. Having no electricity, or all of the following three electric problems: exposed wiring, a room with no working wall outlet, and three blown fuses or tripped circuit breakers in the last 90 days.

Upkeep. Having any five of the following six maintenance problems: water leaks from the outside, leaks from the inside structure, holes in the floor, holes in the walls or ceilings, more than a square foot of peeling paint or broken plaster, or signs of rats or mice in the last 90 days.

Hallways. Having all of the following four problems in public areas: no working light fixtures, loose or missing steps, loose or missing railings, and no elevator.

Moderately inadequate housing. A unit has moderate physical problems if it has any of the following five problems, but none of the severe problems.

Plumbing. Having the toilets all break down at once, at least three times in the last 3 months, for at least 6 hours each time.

Heating. Having unvented gas, oil, or kerosene heaters as the main source of heat; these give off unsafe fumes.

Upkeep. Having any three of the six upkeep problems mentioned under severe.

Hallways. Having any three of the four hallway problems mentioned under severe.

Kitchen. Lacking a sink, range, or refrigerator, all for the exclusive use of the unit.

Number of Hired Farmworkers Increases, but Their Median Weekly Earnings Show Little Improvement

After decreasing during the first half of the 1990's, the number of hired farmworkers employed has increased since 1994. Although their median weekly earnings have increased since 1994, they have still lost ground compared with real 1990 earnings. Hired farmworkers accounted for less than 1 percent of the U.S. wage and salary work force, but they accounted for almost 2 percent of the Nation's unemployed.

Hired farmworkers, while less than 1 percent of all wage and salary workers, account for about one-third of the production agricultural work force. Operators and their unpaid family members account for the remaining two-thirds. More importantly, hired farmworkers provide the labor at critical production times when operators and family members are unable to supply the necessary labor. Relative to the type of work performed by many wage and salary workers, hired farmwork is often seasonal, is usually performed outdoors, involves lifting and carrying heavy objects, and pays substantially less. Hired farmworkers include persons who reported their primary employment during the week as farm managers (8 percent), supervisors of farmworkers (4 percent), nursery workers (2 percent), and farmworkers engaged in planting, cultivating, and harvesting crops or tending to livestock (86 percent).

Number of Hired Farmworkers in 1996 Largest of the 1990's

After continually decreasing from 1990 to 1994, the annual average number of hired farmworkers (15 and older) employed per week increased in 1996 to 906,000, an increase of about 14 percent over the decade-low 793,000 in 1994 (fig. 1). Accompanying this change was a 13-percent increase in the hired farmwork force (persons, employed or unemployed, who reported their primary employment is or was hired farmwork), from 903,000 in 1994 to 1.02 million in 1996. Consequently, unemployment in the hired farmwork force remained about 12 percent during 1994-96 (unemployment in the U.S. work force averaged about 5.5 percent during the same time period).

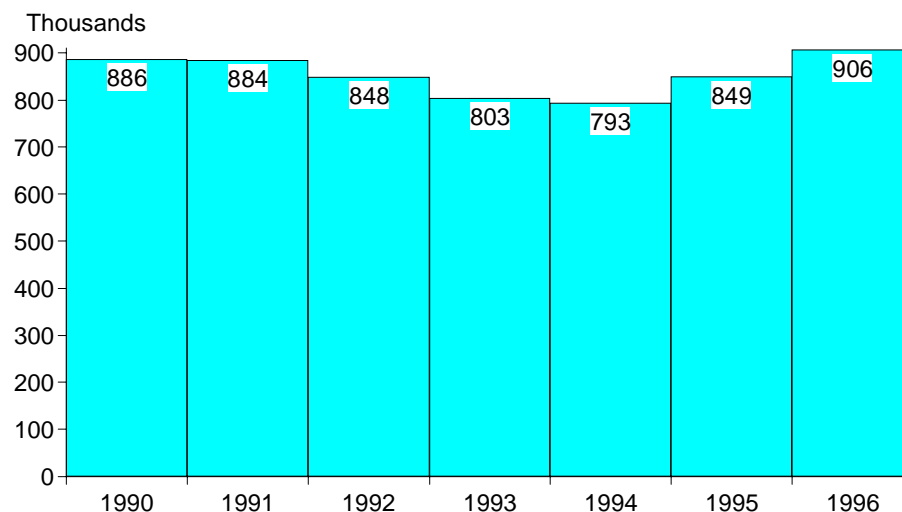
Demographic Characteristics of Hired Farmworkers Vary Among Groups of Workers

Hired farmworkers in 1996 were more likely than all wage and salary workers to be male, younger, never married, and less educated (app. tables 11 and 12). They were also more

Figure 1

Annual average number of hired farmworkers, 15 years of age and older, employed per week, 1990-96

The number of hired farmworkers employed has increased since 1994



Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

likely than all wage and salary workers to be Hispanic (36 percent compared with about 10 percent) and to be foreign nationals who are citizens of other countries (28 percent compared with 7 percent). These workers were employed in crop production (50 percent), livestock production (40 percent), and other agricultural establishments (10 percent) such as agricultural services, forestry, fishing, hunting, trapping, landscape and horticultural services, and other agricultural-related establishments. About 98 percent of the non-citizen hired farmworkers were Hispanic (54 percent for all wage and salary workers). A greater percentage of the noncitizen hired farmworkers (about 79 percent) had 8 years or less education than all hired farmworkers (33 percent) (figs. 2 and 3). The education level of the noncitizen hired farmworkers continued to pull down the level of education of the entire hired farmwork force. Most noncitizen hired farmworkers (70 percent) were employed in crop production. In addition to the 906,000 workers who reported hired farmwork as their primary occupation, 72,000 persons reported hired farmwork as their secondary occupation.

About 704,000 workers (78 percent all employed hired farmworkers) were primarily employed full-time (worked 35 hours or more per week), and 202,000 were primarily employed part-time. Part-time hired farmworkers were more likely than full-time ones to be female, White, younger (median age of 20 years compared with 37 years), never married, and born in the United States. About 53 percent of the part-time workers were employed in livestock production, and 53 percent of full-time workers were employed in crop production.

Over 50 percent of hired farmworkers were employed in crop production, 41 percent in livestock production, and 9 percent in other agricultural establishments. Workers in other agricultural establishments were more likely to be female. Hispanic workers accounted for more than one-half of the crop and other agricultural employees. Livestock workers were younger and better educated than other farmworkers.

Two Percent of Unemployed U.S. Workers Were Hired Farmworkers

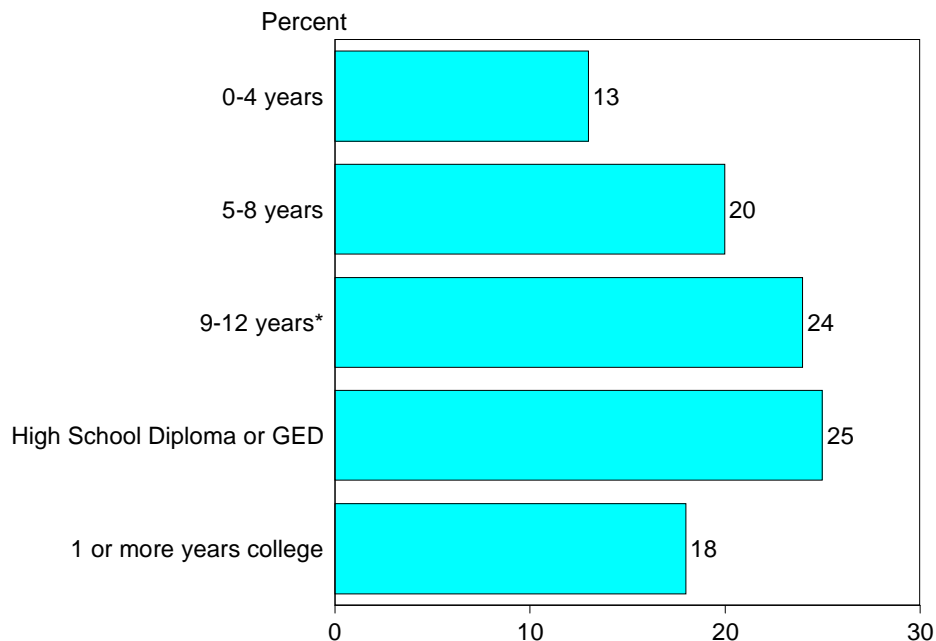
Unemployed in the farmwork force accounted for almost 2 percent of all unemployed in 1996, more than double their percentage of the wage and salary work force. About 23 percent of the unemployed farmwork force were female, 60 percent were Hispanic, and 15 percent were Black and other; 29 percent were 25-34 years of age (median age was 31 years); 53 percent had less than 9 years of education (median was 7th or 8th grade); and 55 percent were noncitizens. About 71 percent of the unemployed farmwork force had been employed in crop production, 22 percent in livestock production, and 7 percent in other agricultural establishments. The high unemployment months in 1996 were February, March, and November.

Hired Farmworker Earnings Remained Lower Than Those for Other Workers

Hired farmworkers continued to earn significantly less than most other workers. Full-time hired farmworkers received median weekly earnings of \$280, or 58 percent of the \$481 median weekly earnings of all wage and salary workers (fig. 4). Median weekly earnings for all full-time wage and salary workers ranged from \$731 for full-time professional specialties to \$200 for private household workers. Only private household workers received lower median weekly earnings than hired farmworkers. Service workers, except private household and protective, had the same median weekly earnings as hired farmworkers. Although weekly earnings for full-time farmworkers declined 2.8 percent between 1990 and 1996 after adjusting for inflation, they have increased 5.6 percent since 1994. Real median earnings for all U.S. full-time wage and salary workers decreased by 0.8 percent from 1990 to 1996 and 1.6 percent from 1994 to 1996.

Hired farmwork is short-term and unsteady due to the seasonal nature of agriculture. This seasonality of employment and low earnings make hired farmwork one of the lowest paying occupational groups. Many hired farmworkers seek nonfarm jobs to supplement their incomes. However, their low education levels and limited labor market skills often make competition for higher wage, nonfarm jobs more difficult.

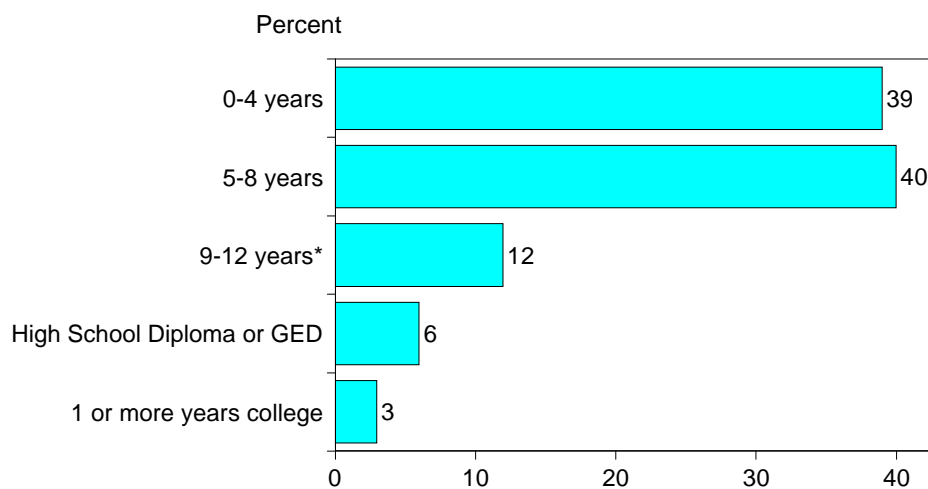
Figure 2

Distribution of hired farmworkers by schooling completed, 1996*More than half of farmworkers have not graduated from high school*

*But did not graduate

Source: Calculated by ERS using data from the 1996 Current Population Survey earnings microdata file.

Figure 3

Distribution of noncitizen hired farmworkers by schooling completed, 1996*Almost three-fourths of noncitizen hired farmworkers have only an elementary education*

*But did not graduate

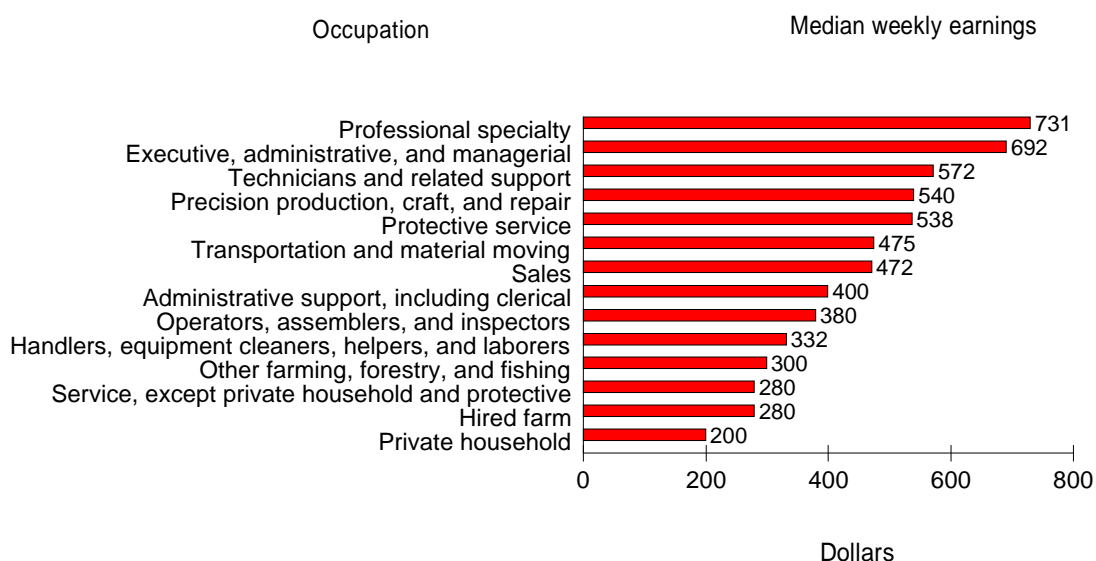
Source: Calculated by ERS using data from the 1996 Current Population Survey earnings microdata file.

During 1990-94, the demand for hired farmworkers apparently declined. Between 1994 and 1996, demand started to rebound, as shown by the increased number of hired farmworkers employed. This change closely parallels the change in real weekly earnings of hired farmworkers. It is not possible to determine from the available data whether the increasing number of workers employed represents an increase in the total number of employment opportunities, a decrease in the number of undocumented workers, or a combination of both. However, the increasing earnings indicates that there is competition for workers as more jobs, both farm and nonfarm, become available and national unemployment declines. [Jack L. Runyan, 202-219-0937 (after October 24, 202-694-5438), jrunyan@econ.ag.gov]

Figure 4

Median weekly earnings of full-time wage and salary workers by occupation, 1996

Hired farmworkers rank near the bottom of major occupational groups



Source: Calculated by ERS using data from the 1996 Current Population Survey earnings microdata file.

Farm Operator Household Income and Wealth Compare Favorably With All U.S. Households

On average, farm operator household income was about the same as the average for all U.S. households in 1995. The average farm operator household received its income from various sources, and only 11 percent was from the farm. Households with commercial farms, however, received about half of their income from farming. On average, the net worth of farm operator households fell between those of all U.S. households and the households of the self-employed. Wealth of farm households consisted mostly of their farms, regardless of the size of the farm they operated.

Farm households today depend more on off-farm income than farm income for their livelihood. Most establishments classified as farms are too small to support a household because the official U.S. farm definition requires only \$1,000 of sales to qualify as a farm. For many farm households, off-farm jobs and the health of the local nonfarm economy may be more important than changes in farm income. For households with larger farms, income from farming remains critical. Nevertheless, the farm makes up most of the wealth of farm households, regardless of farm size. The value of farmland and other farm assets may be a larger issue than farm income for households operating small farms.

Monitoring the level and sources of farm households' income and wealth helps in discussions of ways to improve or maintain the economic well-being of farm people. This is particularly true after major farm legislation, such as that passed in 1996, which may affect farm income and asset values.

The information presented here is unique because it covers both income and wealth and because it covers all farm operator households and their farms across the United States. This article uses data from the U.S. Department of Agriculture's Farm Costs and Returns Survey (FCRS). For more information about the survey, see Data Sources. Averages, rather than medians, are used to measure income and wealth from the FCRS. For more information, see "mean income versus median income" in the appendix.

In addition, this article uses mean household income for all U.S. households (\$44,900) to compare with operator household income, rather than mean household income in non-metro areas (\$27,800). Farm households are not entirely nonmetro; about one-third of farm households lived in metro areas in 1995.

Sources and Levels of Income Vary With Farm Size

The average income of farm operator households compares favorably with that of other U.S. households. According to the most recent FCRS estimates, farm operator households averaged \$44,400 in income from all sources in 1995. Average farm operator household income was 99 percent of the average for all U.S. households (\$44,900).

In 1995, 89 percent of operator household income came from off-farm sources, mostly from wages, salaries, and nonfarm businesses (fig. 1). Sources of income, however, varied with the characteristics of the operator and the farm (app. table 13). For example, the amount of farm income increased with increasing farm size, as measured by sales of agricultural products (fig. 2).

About three-fourths of U.S. farmers operated noncommercial farms (sales less than \$50,000). Most of these operators reported a major occupation other than farming in 1995 (49 percent) or considered themselves retired (21 percent). On average, households of these operators lost money farming in 1995 and depended on off-farm sources for virtually all their income, regardless of where they lived (fig. 3).

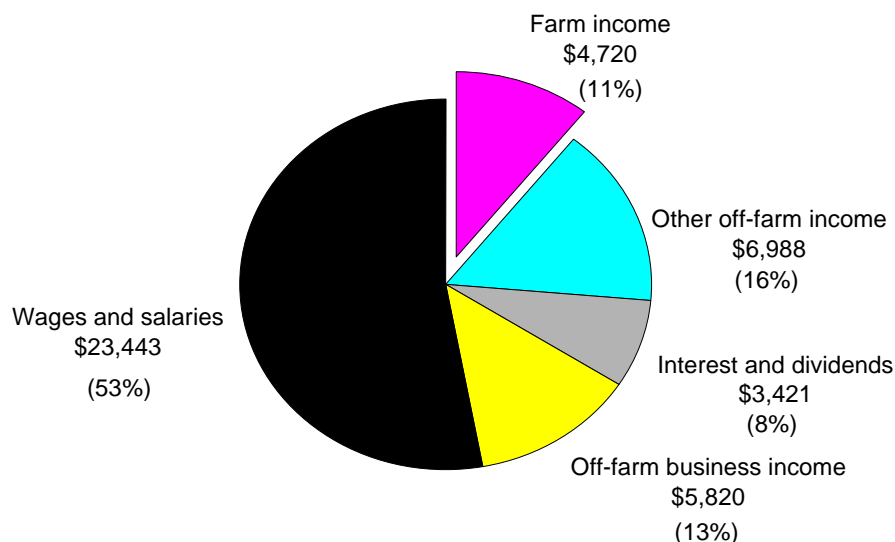
In contrast, households with commercial farms (sales of \$50,000 or more) depended on off-farm income for only half of their income. About 88 percent of the operators of these larger farms reported farming as their major occupation. Only 26 percent of the operators of commercial farms actually worked off-farm, according to the 1994 FCRS, the most current FCRS to collect information about off-farm job holding. But, the spouse worked off-farm in 44 percent of commercial farm households. As a result, 56 percent of households operating commercial farms had an operator, a spouse, or both working off-farm.

Combining farm and off-farm income was an effective strategy for households with commercial farms. On average, these households had substantially higher total income

Figure 1

Sources of income for average farm operator household, 1995

Income from the farm averages 11 percent of total farm household income



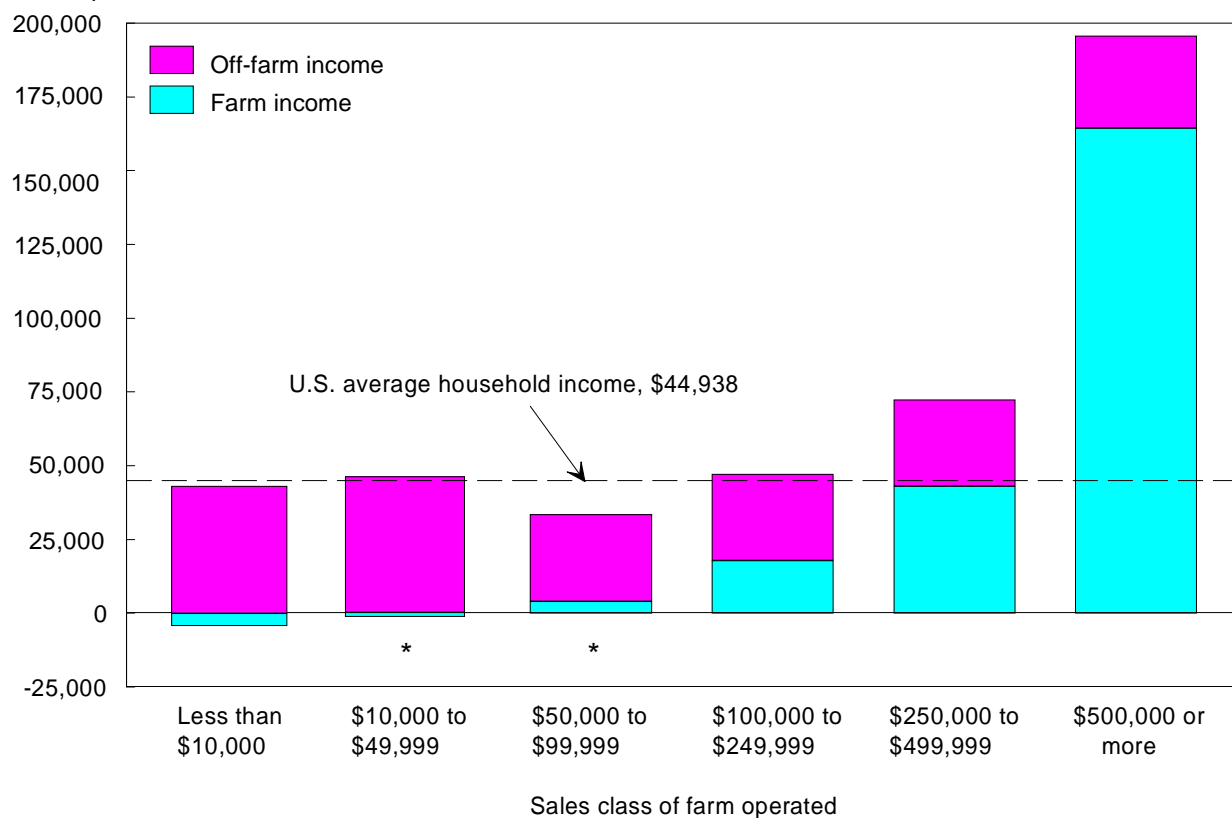
Source: USDA, Economic Research Service, 1995 Farm Costs and Returns Survey.

Figure 2

Average farm operator household income, by source and sales class, 1995

On average, the households of small farms depend heavily on off-farm income, while the households of larger farms depend mostly on farm income

Dollars per household



*The relative standard error exceeds 25 percent but is no more than 50 percent.

Source: USDA, Economic Research Service, 1995 Farm Costs and Returns Survey for farm operator household data. U.S. Bureau of the Census, March 1996 Current Population Survey for all U.S. households.

(\$57,700) in 1995 than households running noncommercial farms (\$39,800) or all U.S. households (\$44,900). Regardless of residence, households operating commercial farms had higher total household income than their noncommercial counterparts (fig. 3).

Off-Farm Income and Employment over the Decades

Although farm operator households' dependence on off-farm income is commonly viewed as a recent development, a lack of consistent historical data makes it difficult to say exactly when farm households began to rely heavily on off-farm income. To some extent, part-time farming has always existed.

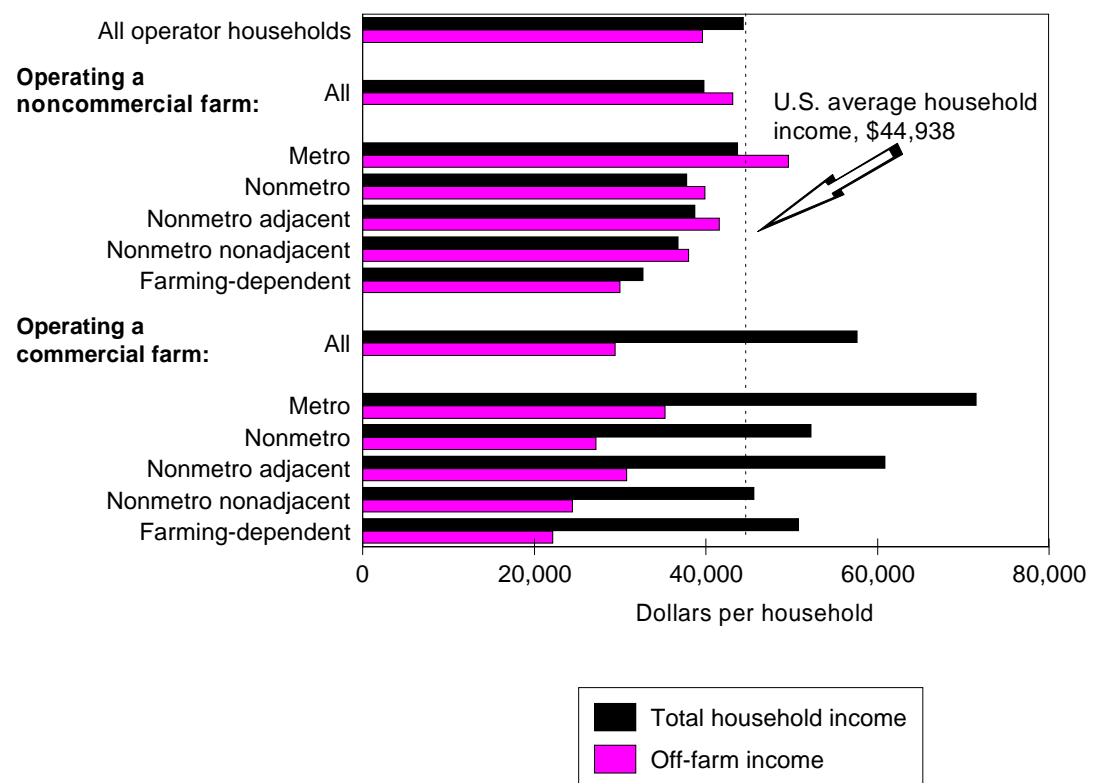
The data that do exist indicate that off-farm work has been important to farm households for generations. FCRS household data are available only from 1988 forward, but an earlier USDA household data series extended back to 1960. Although not entirely comparable with the FCRS, this earlier household series showed that operator households relied on off-farm income for at least 50 percent of their income as far back as the early 1960's.

Another discontinued USDA series—mean per capita disposable personal income of farm residents—estimated income from farm and off-farm sources between 1934 and 1983. This series also showed heavy reliance on off-farm income (40 to 70 percent) in the

Figure 3

Total and off-farm income for operator households, by sales class of farm operated and residence, 1995

Regardless of location, households operating commercial farms receive total household income near or above the average for all U.S. households and more than their noncommercial counterparts



Note: Off-farm income can be greater than total household income if farm income is negative.

Source: USDA, Economic Research Service, 1995 Farm Costs and Returns Survey for farm operator household data. U.S. Bureau of the Census, March 1996 Current Population Survey for all U.S. households.

1960's, 1970's, and early 1980's. Even in the 1930's, 30 to 41 percent of farm residents' disposable personal income came from off-farm sources. Farming provided the largest share of disposable personal income, about three-quarters, during most of the 1940's. At that time, farming experienced a boom from World War II and its aftermath.

A related data series on days worked off-farm from the agricultural census extends from the most recent agricultural census back to 1930. These data also suggest that income from off-farm work by the operator has been important as long ago as the 1930's (fig. 4). This series shows that one-fourth to one-third of farm operators worked off-farm in the 1930's and early 1940's, generally for fewer than 100 days. By 1954, about 45 percent of operators worked off-farm, only about 7 percentage points less than in 1992. Although the percentage working off-farm has not increased dramatically since 1954, the percentages working at least 200 days off-farm increased from 22 percent in 1950 to 35 percent in 1992, with most of the increase coming between 1950 and 1969. Unlike the income data, the census data consider only the activities of the operator and exclude off-farm work by other household members.

Net Worth Is Important, Too

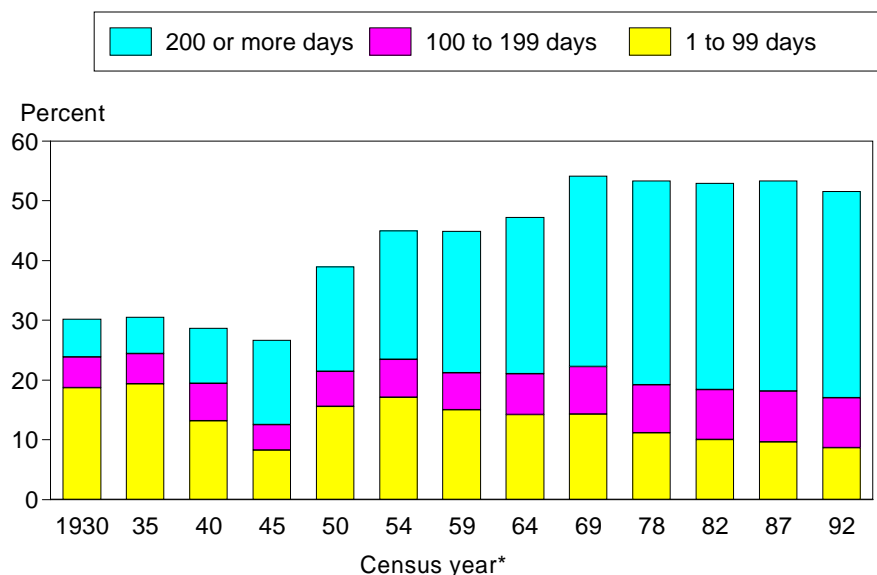
Although income contributes to a household's economic well-being, net worth—the difference between assets and liabilities—is also important. As one would expect, net worth was substantially more for households with commercial farms (\$576,400) than for their counterparts with noncommercial farms (\$293,800) (fig. 5). The farm, however, accounted for most of the net worth of both commercial and noncommercial farm households.

Regardless of residence, operator households with a noncommercial farm had an average net worth near the average for all U.S. households, but a smaller net worth than U.S. households whose householders reported self-employment as their major occupation. In contrast, households with commercial farms in each residence category had a net worth closer to the average for all U.S. self-employed households.

Figure 4

Farm operators reporting off-farm work, 1930-92

One-third of farm operators have worked off-farm essentially full-time since the 1970's



*Comparable data for 1974 are unavailable.

Source: U.S. Bureau of the Census, Census of Agriculture, various years.

Households with commercial farms in metro counties had the highest average net worth, \$661,300. About 44,100 commercial farm households in metro counties had net worth more than this amount. Twenty-five percent of these households lived in the Corn Belt, and another 22 percent lived in the Pacific region. (For a list of States in the Corn Belt and Pacific region, see "Major Farming Regions" in the Definitions.)

Farming uses land more extensively than most businesses. As a result, real estate accounted for most (68 percent) of the assets of the farms held by operator households. Real estate made up a larger share of the assets of noncommercial farms (78 percent) than commercial farms (58 percent), reflecting commercial farms' greater propensity to rent land and hold other assets such as equipment, machinery, and inventories.

Economic and Noneconomic Benefits From Farming

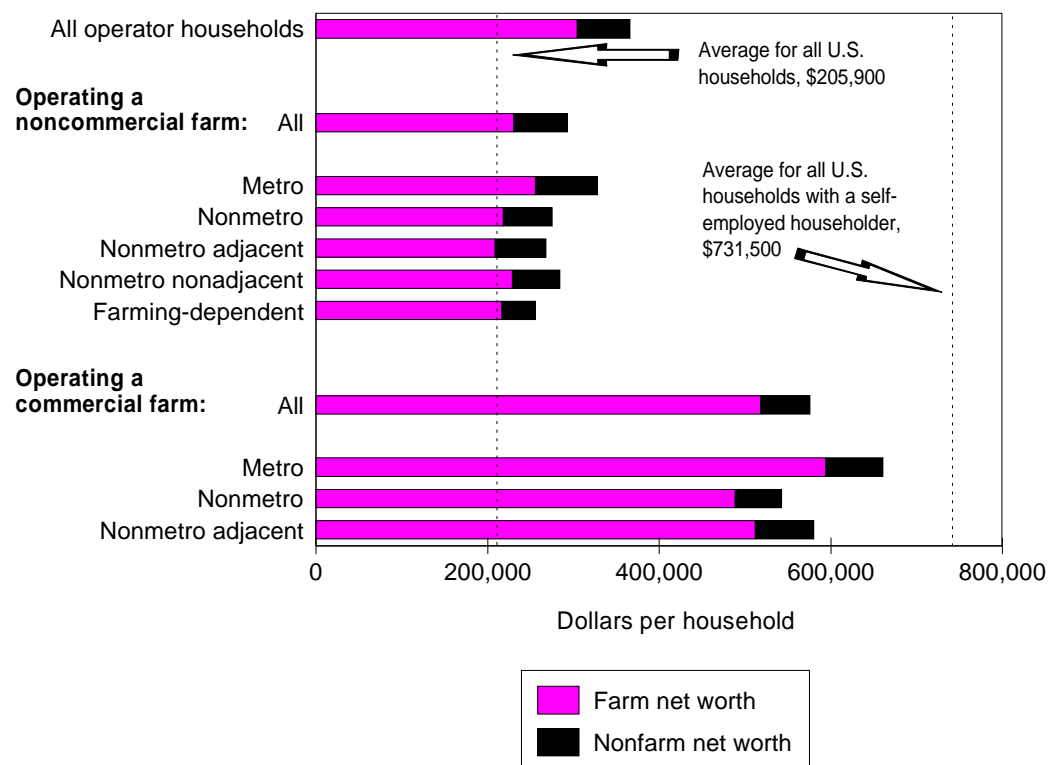
Farming provides benefits to farm households beyond income. Indeed, for many households operating noncommercial farms, income from farming is actually negative. Yet, operators of noncommercial farms continue to farm. Households with noncommercial farms may focus on an economic benefit from farming other than cash income: wealth accumulation.

Responses from the 1995 FCRS, however, indicate that living a farm lifestyle may be more important to noncommercial farm households than either wealth accumulation or farm income. About 57 percent of operators of noncommercial farms rated a rural

Figure 5

Average farm operator household net worth, by sales class and residence, 1995

Farms account for most operator households' net worth, regardless of farm size or location



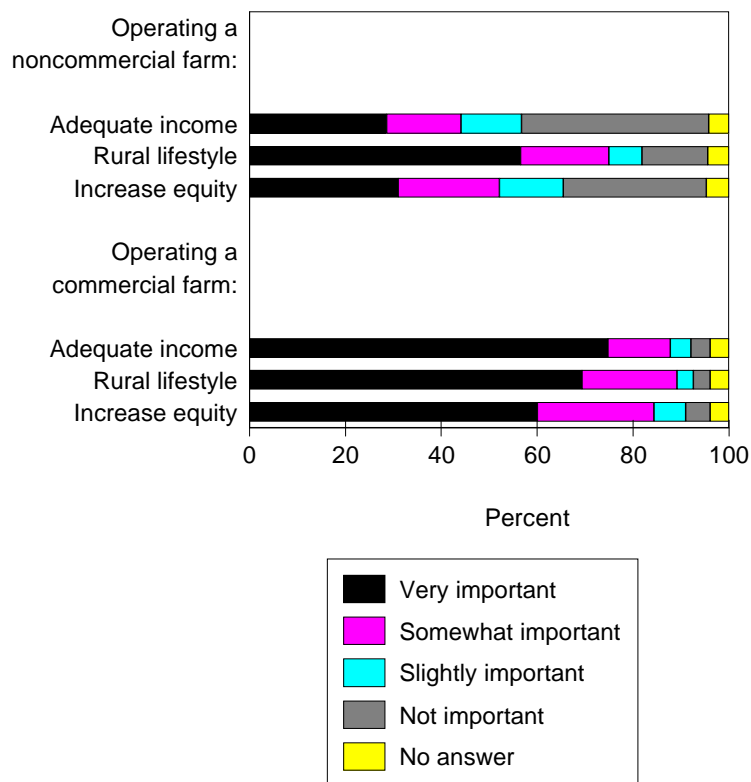
Source: USDA, Economic Research Service, 1995 Farm Costs and Returns Survey for farm operator household data. Federal Reserve System and U.S. Department of the Treasury, 1995 Survey of Consumer Finances for all U.S. households.

lifestyle as very important in the FCRS (fig. 6). In contrast, only 29 percent said it was that important for the farm to provide adequate income without off-farm work. A similar small share of noncommercial operators (31 percent) rated increasing the equity and assets of the farm as very important. [Robert A. Hoppe, 202-501-8308 (after November 7, 202-694-5572, rhope@econ.ag.gov, and Penni Korb, 202-219-0592 (after November 7, 202-694-5575, pkorb@econ.ag.gov)]

Figure 6

Importance of selected goals to the operator, 1995

For operators of noncommercial farms, lifestyle is more important than adequate farm income without having to work off-farm



Source: USDA, Economic Research Service, 1995 Farm Costs and Returns Survey, version 1.

Data for Comparisons Between Farm Operator Households and All U.S. Households

The Farm Costs and Returns Survey (FCRS) collects data about U.S. farms, their operators, and their operator households. It collects no data about nonfarm households. Thus, any comparisons between farm operator households and all U.S. households must rely on other data sources that provide information about U.S. households in general.

This article uses the Current Population Survey (CPS), conducted by the Census Bureau, for estimates of income for all U.S. households. The CPS is the source of the official U.S. estimates of income levels and poverty counts. Farm operator household income from the FCRS is defined to be consistent with the definition of household income used in the CPS.

Statistics on net worth of all U.S. households are from the Survey of Consumer Finances (SCF). The SCF is sponsored by the Federal Reserve in cooperation with the Treasury Department. The Survey of Income and Program Participation (SIPP), conducted by the Census Bureau, also provides estimates of household net worth. The SCF, however, is used in this article rather than the SIPP because the SCF was designed specifically to collect information about household wealth. According to the Census Bureau:

. . . we believe that SIPP provides biased estimates of the aggregate of asset holdings and of mean amounts. The SIPP sample frame contains few observations for high income households, while the SCF makes a special attempt to survey respondents who are likely to have high income or be wealthy. . . . The 1993 measured mean net worth estimated by the SIPP was \$99,772, while the 1992 measured mean net worth estimated from the SCF was \$226,900 (in 1993 dollars).

Data Sources

Macroeconomic conditions: The economic indicators used to monitor macroeconomic changes in the U.S. economy are derived from Federal sources. Measures of inflation, including the consumer and producer prices indexes, productivity, employment cost, and employment and unemployment data are developed by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). Energy prices are from the Energy Information Administration, U.S. Department of Energy. National income and product account information on capital investment, gross domestic product, and net exports is produced by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Information relating to monetary policy including changes in interest rates and foreign exchange rates, and data on industrial production are furnished by the Federal Reserve Board.

Employment data: Data on metro and nonmetro employment and unemployment reported in this issue come from two sources. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the Bureau of Labor Statistics, U.S. Department of Labor, provides detailed information on the labor force, employment, unemployment, and demographic characteristics of the metro and nonmetro population. The CPS derives estimates based on interviews of a national sample of about 47,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. Labor force information is based on respondents' activity during 1 week each month. Among the data products of the CPS are the monthly files, the earnings microdata files, and the March Annual Demographic Supplement (known as the March CPS). See appendix on CPS redesign for more information on the CPS.

BLS county-level employment data, the Local Area Unemployment Statistics (LAUS), are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Each of these data sets has its advantages and disadvantages. The CPS furnishes detailed employment, unemployment, and demographic data for metro and nonmetro portions of the Nation. The LAUS provides less detailed employment data than the CPS, but offers very current employment and unemployment information at the county level. While these data sources are likely to provide different estimates of employment conditions at any point in time, they generally indicate similar trends.

Earnings data: The data for average and median weekly earnings, and usual weekly hours worked are drawn from the outgoing rotation of respondents in the monthly CPS, about one-quarter of the total sample. These respondents are asked about the usual earnings on their sole or primary job. The CPS earnings microdata file, referred to as the earnings file, consists of all records from the monthly quarter-samples of CPS households that were subject to having these questions on hours worked and earnings asked during the year. The 1996 data file contained information on almost 430,000 persons. Data are available for all wage and salary workers in both the public and private sectors.

Income and poverty data: The household income, personal income, and poverty data reported in this issue were calculated from the March Annual Demographic Supplement, known as the March CPS. Every year, the March CPS includes supplemental questions on sources and amounts of money received during the previous calendar year. Consequently, income information in the March CPS refers to the previous year. Estimates from the March CPS are published by the Bureau of the Census in the Consumer Income P-60 series. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

Migration data: Migration data reported in the Earnings and Income section are from the Internal Revenue Service. The Internal Revenue Service compiles annual, county-level data by matching current year tax returns with those from the previous year and comparing addresses. If a county or residence is different in the previous year, members of that

family are considered migrants. If the county is the same, they are considered nonmigrants. The number of exemptions claimed on the return serves as a proxy for the number of migrants in that family. Most people file their returns during early to mid-April, so the data here refer to flows from April of 1 year to April of the next.

Population and immigration data: Estimates of population change, net migration, and natural increase reported in the article on population growth are from the Bureau of the Census county population estimates issued annually. Population estimates are based on various data sources. Births and deaths are based on vital statistics records. Migration estimates are derived as a residual by subtracting natural population increase from actual increases. Estimates include net gain from other counties as well as the institutional population. Estimates of the elderly population and the immigrant population are from the March CPS.

Health status data: Some of the data for the article on the elderly are from the National Health Interview Survey (NHIS), a continuing nationwide sample survey in which data are collected through personal household interviews. Information is obtained on personal and demographic characteristics, illnesses, injuries, impairments, chronic conditions, utilization of health resources, and other health topics. The household questionnaire is reviewed each year, with special health topics being added or deleted. For most health topics, data are collected over an entire calendar year.

Birth data: Information about the distribution of births by mother's age, race, marital status, and place of residence was obtained from the 1970, 1980, 1990, and 1994 Natality Detail Files prepared by the U.S. National Center for Health Statistics. Each file contains most of the information reported on official birth certificates, including mother's county of residence. Additional information about the female population needed to calculate marital and nonmarital birth rates was obtained from the 1990-94 Estimates of the Population of Counties (EPC) file prepared by the Bureau of the Census, and the March 1994 CPS. The EPC file provided information about the total number of women aged 15-44 in each county in July 1994. The March 1994 CPS provided estimates of the proportion of currently married females aged 15-44 in metropolitan and nonmetropolitan areas. The March 1994 CPS classification of metropolitan and nonmetropolitan areas was based on the 1983 Office of Management and Budget (OMB) metropolitan definition. Consequently, all other information about births and females aged 15-44 was tabulated by the 1983 OMB definition for consistency.

Housing data: Housing data are from the American Housing Survey conducted by the Bureau of the Census for the U.S. Department of Housing and Urban Development. The American Housing Survey is a longitudinal survey designed to provide detailed information on housing structure, use, and plumbing characteristics, equipment and fuel use, housing and neighborhood quality, financial characteristics, and household attributes of current occupants. The national sample is based on about 55,000 units selected for interview in 1995. Data are weighted to reflect the U.S. population. Data were collected annually from 1973 to 1981 as the Annual Housing Survey and every other year since 1981 as the American Housing Survey.

Farm labor data: Information on the characteristics and earnings of hired farmworkers are from the CPS earnings microdata file. The data for average and median weekly earnings, and usual weekly hours worked are drawn from the outgoing rotation of respondents in the monthly CPS, about one-quarter of the total sample. These respondents are asked about the usual earnings on their sole or primary job. The CPS earnings microdata file consists of all records from the monthly quarter-samples of CPS households that were subject to having these questions on hours worked and earnings asked during the year. The 1996 data file contained information on almost 430,000 persons.

Farm operator household income and net worth data: Farm operator household income and net worth data are from the Farm Costs and Returns Survey (FCRS). The FCRS is a probability-based survey in which each respondent represents a number of farms of similar size and type. Thus, sample data can be expanded using appropriate

weights to represent all farms in the contiguous United States. The FCRS is conducted annually by the Economic Research Service and the National Agricultural Statistics Service in all States except Alaska and Hawaii. For the 1995 calendar year, usable data were collected from nearly 8,800 farms and ranches.

Estimates based on an expanded sample differ from what would have occurred if a complete enumeration had been taken. However, the relative standard error (RSE), a measure of sampling variability, is available from survey results. The RSE is the standard error of the estimate expressed as a percentage of the estimate. According to the guidelines for use of the FCRS, any estimate with an RSE greater than 25 percent must be identified.

The standard error of the estimate can also be used to evaluate the statistical differences between groups. The article on Farm Household Income and Wealth emphasizes differences between groups only when estimates were significantly different at the 95-percent level.

Definitions

The data reported in this issue of *Rural Conditions and Trends* are for nonmetropolitan (nonmetro) and metropolitan (metro) areas, but we use the terms “rural” and “urban” interchangeably with “nonmetro” and “metro,” the original and more accurate terms used in the data sources.

Adjusted unemployment rate: The total unemployed, plus all marginally attached workers (including discouraged workers), plus total employed part-time for economic reasons workers, as a percent of the civilian labor force plus all marginally attached workers. The adjusted unemployment rate is a more comprehensive way to measure labor market distress than the unemployment rate. This measure corresponds with the Bureau of Labor Statistics's U-6, from the 1994 revised alternative measures of labor underutilization.

Civilian labor force: Noninstitutional civilians age 16 or older who are either employed or unemployed. Individuals who are neither employed nor unemployed are out of the labor force.

Family: Family is defined as two or more people residing together who are related by birth, marriage, or adoption.

Farm: Any place from which \$1,000 or more worth of agricultural products is sold or normally would be sold in a year. Noncommercial farms have sales less than \$50,000. Commercial farms have sales of \$50,000 or more.

Farm operator: The person who runs the farm, making the day-to-day decisions. Information is collected for only one operator per farm. For farms with more than one operator, data are collected only for the primary operator.

Farm operator households: The households of primary operators of farms organized as individual operations, partnerships, and family corporations. These farms are closely held (legally controlled) by their operator and the operator's household. Farm operator households exclude households associated with farms organized as nonfamily corporations or cooperatives, as well as households where the operator is a hired manager. Household members include all persons dependent on the household for financial support, whether they live in the household or not. Students away at school, for example, are counted as household members if they are dependents.

Farm operator household income: The total income of farm operator households includes income from both farm and off-farm sources. Farm income to the household includes net cash farm income less depreciation, adjusted for the share received by the primary operator household in the case of multiple-household farms. Farm income to the operator household also includes any net income received by the household from other farm businesses, plus any wages or salaries paid to the operator and household members by the farm business. Off-farm income consists of the income that all farm household members received from other sources, including wages and salaries, the net income of any nonfarm businesses, interest and dividends, and all other cash off-farm income.

Farm operator household income is defined to be consistent with the definition of household income used by the Bureau of the Census in the Current Population Survey.

Farm operator household net worth: The difference between the operator household's assets and liabilities. It is calculated as the sum of the operator household's farm net worth and nonfarm net worth. If the net worth of the farm is shared with other households (such as the households of shareholders in a family corporation), only the operator household's share is included.

Gross domestic product (GDP): The value of final output produced by people, government, and firms in the United States, whether they are U.S. or foreign citizens, or U.S.- or foreign-owned firms. Output of U.S. citizens or firms located outside the United States is not included. This statistic is reported quarterly but is revised in each of the 2 months following the initial release.

Hired farmworkers: Persons aged 15 and older who do farm work for cash wages or salary, including persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

Household: Households consist of all persons living in a housing unit. A house, an apartment, or a single room is considered a housing unit if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure.

Household income: The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplement Security Income; cash public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments for all household members.

Income: IRS income data in the migration article in the Earnings and Income section, used to measure the effect of migration on county-level per capita income, includes wages, salaries, taxable interest, pensions and annuities, unemployment compensation, and other income reported to the IRS. It does not include in-kind payments.

Inflation rate: The percentage change in a measure of the average price level. The two measures of the average price level used in this issue are the Consumer Price Index for All Urban Consumers (CPI-U) and the implicit Personal Consumption Expenditures Deflator.

Labor force participation rate: The proportion of the population that is in the labor force.

Major Farming Regions:

Northeast: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

Lake States: Michigan, Minnesota, Wisconsin.

Corn Belt: Illinois, Indiana, Iowa, Missouri, Ohio.

Northern Plains: Kansas, Nebraska, North Dakota, South Dakota.

Appalachian: Kentucky, North Carolina, Tennessee, Virginia, West Virginia.

Southeast: Alabama, Florida, Georgia, South Carolina.

Delta: Arkansas, Louisiana, Mississippi.

Southern Plains: Oklahoma, Texas.

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.

Pacific: California, Oregon, Washington.

Mean income versus median income: The Earnings and Income articles use *median* income as a summary measure of income in rural areas. The Farm Household Income and Wealth article uses *means* to examine operator household income and net worth. Both the mean and the median are measures of central tendency.

The Earnings and Income article on household income in this issue of *RCaT* uses median household income to discuss the level of income in rural areas. The median household income is the income of the household at the center of the income ranking (i.e., at the 50th percentile). Thus, the median represents the income of the average household. Likewise, median personal income is the income of the person right in the middle of the ranking of all personal incomes by size. The median has the advantage of not being influenced by the very high incomes of a small minority of households or persons.

The Farm Household Income and Wealth article uses the arithmetic mean (more simply called the mean) rather than the median to examine farm operator household income and net worth. In the article, means are referred to as averages, which is common in non-technical writing. Mean household income is simply the sum of the income received by households divided by the number of households. The mean is used in order to analyze the composition of income and net worth as well as their levels. For operator households, mean off-farm income (or net worth) plus mean farm income (or net worth) equals mean total household income (or net worth). Thus, one can calculate the share of mean household income (or net worth) from off-farm sources. In contrast, medians are not additive.

Metro areas: Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data through 1993 categorizes counties as metro and non-metro based on population and commuting data from the 1980 census. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

Natural amenities index: Natural amenities are measured using an index created at the Economic Research Service, combining measures of climate, topography, and the presence of bodies of water. The index of climate attractiveness is defined using January temperature, number of days with sun in January, July temperature (expressed as a residual when regressed against January temperature), and July humidity. Topography is defined as the difference between an index of mountainous or rugged terrain and average elevation. The presence of bodies of water is measured using the percentage of land area covered by water.

Nonfarm earnings: The sum of wage and salary income, other labor income, such as privately administered pension and profit-sharing plans, and current production income of nonfarm sole proprietorships, partnerships, and tax-exempt cooperatives.

Nonmetro areas: Counties outside metro area boundaries. Throughout this publication, rural and nonmetro are used interchangeably to refer to people and places outside of MSA's.

Personal income: The sum of money income to a person from all sources, from which money income is regularly received, reported as having been received in the previous calendar year. The sources of money income are: wages and salary; net income from the operation of a business or farm; dividends, interest, royalties, and net rental income; alimony and child support payments received from outside the household; pensions; and transfer payments. Specifically excluded under this definition are windfalls such as a lump sum payment of an inheritance even though in money; capital gains or losses; income in kind; and all within household gifts or transfers whether in cash or kind.

Poverty: A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was \$15,455 in 1995. The thresholds are adjusted for inflation annually using the Consumer Price Index.

Region: Most articles in this issue use the Census region delineation. The States in each region are as follows:

Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Midwest—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Rural-urban continuum codes: Classification system developed by ERS to group counties by the size of their urban population and their adjacency to larger areas. (See Margaret A. Butler and Calvin L. Beale, *Rural-Urban Continuum Codes for Metro and Nonmetro Counties, 1993*, AGES 9425, U.S. Department of Agriculture, Economic Research Service, Sept. 1994).

Metro counties—

Central counties of metro areas of 1 million population or more

Fringe counties of metro areas of 1 million population or more

Counties in metro areas of 250,000 to 1 million population

Counties in metro areas of fewer than 250,000 population

Nonmetro counties—

Urban population of 20,000 or more, adjacent to a metro area

Urban population of 20,000 or more, not adjacent to a metro area

Urban population of 2,500 to 19,999, adjacent to a metro area

Urban population of 2,500 to 19,999, not adjacent to a metro area

Completely rural or less than 2,500 urban population, adjacent to a metro area

Completely rural or less than 2,500 urban population, not adjacent to a metro area

Nonmetro adjacent counties—

Nonmetro counties physically adjacent to one or more metro areas and having at least 2 percent of the employment labor force in the county commuting to the central metro county.

Transfer payments: Cash or goods that people and nonprofit institutions receive from government and some businesses (for example, liability payments) for which no work is currently performed. Receipt of transfer payments, however, may reflect work performed in the past. For example, elderly people receive Social Security now because they worked earlier in their lives and paid taxes to fund the program. Government transfers to individuals are grouped into the following categories: retirement and disability programs, medical programs, income maintenance programs, unemployment insurance, and veterans' programs. Note that payments from farm commodity programs are received as part of farmers' gross cash income from current farming activities. They are not transfer payments.

Typology Codes: Classification system developed and periodically revised by ERS to group counties by economic and policy-relevant characteristics. The typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR 89, U.S. Department of Agriculture, Economic Research Service, Dec. 1994.

Economic types (mutually exclusive, a county may fall into only one economic type):

Farming dependent—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Mining dependent—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Manufacturing dependent—Manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Government dependent—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietors' income over the 3 years from 1987 to 1989.

Services dependent—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance, insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietor income over the 3 years from 1987 to 1989.

Nonspecialized—Counties not classified as a specialized economic type over the 3 years from 1987 to 1989.

Policy types (overlapping, a county may fall into any number of these types and one economic type):

Retirement-destination—The population aged 60 years and over in 1990 increased by 15 percent or more during 1980-90 through inmovement of people.

Federal lands—Federally owned lands made up 30 percent or more of a county's land area in the year 1987.

Commuting—Workers aged 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

Persistent-poverty—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, 1990.

Transfers-dependent—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over the 3 years from 1987 to 1989.

Unemployment rate: The number of unemployed people 16 years and older as a percentage of the civilian labor force age 16 years and older.

The Current Population Survey (CPS) is the main source of information on the employed, the unemployed, and those not in the labor force. The official national unemployment rate that is reported monthly is estimated from the CPS. The CPS is an important source of labor force indicators of the nonmetro economy as well.

The CPS was established in 1940, and is conducted by the Bureau of the Census (Census) for the Bureau of Labor Statistics (BLS). Every month, about 47,000 households are interviewed for the survey. Each household is surveyed for 4 consecutive months, then is not surveyed for the next 8 months, then is surveyed again for 4 months. This 4-8-4 rotation allows the CPS to track a household for 16 months.

The last major redesign was in 1967. For over 25 years the same survey was used, while in that time there were changes in the economy such as a shift from manufacturing jobs to service-sector jobs, and also changes in society such as more women in the work force. In addition, there were advances in survey research methods and data collection technology. Consequently, in 1986, Census and BLS undertook the effort to modernize the CPS. The redesigned survey was introduced in January 1994.

New Questionnaire—The goals of the redesign were: (1) to measure more precisely the official labor force concepts; (2) to collect additional data; (3) to implement several definitional changes; and (4) to computerize the interviewing process. The survey questionnaire was completely overhauled. The new questionnaire is expected to more accurately measure those persons on layoff, job search methods used by the unemployed, the number of hours at work, the reasons for working part time, occupation and industry of the respondent, and earnings of the respondent. New data now collected include information on multiple jobholding and usual hours worked.

Among the definitional changes implemented include changes in the discouraged worker definition. Previously, a discouraged worker was defined as a person who wants a job, but believes no job is available to him/her, and so has stopped job hunting, and consequently cannot be classified as unemployed. The new definition of discouraged worker adds the requirements that the respondent must have engaged in some jobsearch within the past year and must be currently available to take a job. Those who previously would have been classified as discouraged workers but do not meet the requirements in the new definition are classified as “other marginally attached workers.” Monitoring the number of discouraged workers is important in measuring labor market distress. Looking at the levels of discouraged workers is especially important in metro/nonmetro analysis, as nonmetro areas have had disproportionately more discouraged workers than metro areas.

Computerization—The redesigned survey is computerized. Each survey taker uses a laptop or other computer that contains the questionnaire. The household's responses are entered into the computer, then the data are transmitted electronically to Census. Computerization is expected to result in greater consistency from respondent to respondent, to allow for the use of a more complex questionnaire, and to provide the flexibility to tailor the questions to the individual's situation. In addition, the computer automatically checks for internal consistency during the interview, allowing for potential errors to be caught and corrected. Also, the computer allows for a “dependent interview,” meaning using information in the current interview that was obtained in a previous interview with that respondent.

Technical changes—In January 1994 new population controls were introduced into the CPS. These population controls are population projections based on the 1990 census, and adjusted for the estimated population undercount. These controls replaced population controls based on the 1980 census. After the monthly data are collected, weights are used to “inflate” the sample to estimates of the entire population and labor force. The weights are forced to sum to the population controls. These controls ensure that the CPS sample estimates match independent controls of population with respect to the 50 States and the District of Columbia, and race-age-sex groups. In 1996 BLS revised the 1990-93 CPS figures to reflect the 1990 census controls.

Metro/nonmetro—After each decennial census the Office of Management and Budget (OMB) reevaluates the metro/nonmetro status of each county. In 1993 OMB issued a metro/nonmetro classification based on the 1990 census. In this last reclassification, 13 counties that were metro were reclassified as nonmetro, and 111 counties that were nonmetro were reclassified as metro, resulting in a net 98 counties newly metro. Overall, about 10 percent of the nonmetro population was reclassified as metro.

Also after each decennial census, BLS redesigns the CPS sample. The sample determines which households are selected for the CPS. The sample is updated in order to more efficiently represent the actual population. The new CPS sample was phased in starting in April 1994 and completed in July 1995. The process took 16 months due to the 4-8-4 rotation schedule. Each month the new in-rotation group was selected from the new sample.

The new OMB metro/nonmetro classification was phased in at the same time as the new CPS sample. Each month, the in-rotated households were chosen by the new sample and were recorded by the new metro/nonmetro classification. Consequently, the new classification took the 16 months that the CPS follows a household to be completely phased into the CPS, resulting in two metro/nonmetro classifications in use over April 1994-June 1995. Because of this phasing-in process of the new sample and the new metro/nonmetro classification, getting consistent CPS metro/nonmetro figures for 1994-95 is very difficult. ERS is working on this problem, and plans to publish metro/nonmetro CPS statistics for 1994-95 in the future.

For the CPS March Annual Demographic Supplement, however, the change in the metro/nonmetro classification was treated differently. The March 1994 Supplement occurred before the phase in of the new classification, so all households were recorded on the old classification. The March 1996 Supplement occurred after the phase in, so all households were recorded on the new classification. The March 1995 Supplement—data on 1994—occurred during the phase in, when a mix of the two classifications was in use. Census converted the public use data files of the March 1995 Supplement to the old classification, that is, the metro/nonmetro classification based on the 1980 census. However, summary reports on poverty and income were published by Census based both on the old and new classifications to provide consistent data series through the period of reclassification.

Time-series characteristics—The CPS data starting in January 1994 are not directly comparable with the previous data. This is due to the redesigned survey, including a new questionnaire, new labor force definitions, and new data collection techniques. It is thought that the measured national unemployment rate was not affected significantly by the redesign. However, some other indicators of the labor market show a measured change due to either definitional changes or new wording of the questionnaire. For example, under the new CPS a larger share of the unemployed have longer spells of unemployment than under the old CPS. This is thought to be due to dependent interviewing, resulting in more accurate responses, and to a reworded question allowing the respondent to report joblessness in weeks, months, or years.

Also in 1994, a new sample and the new definition of metro/nonmetro was introduced. The group of counties classified as nonmetro after the 1994-95 phase-in is different from the group classified as nonmetro from 1985-93.

ERS estimates versus BLS estimates—ERS is now estimating the metro/nonmetro statistics from the CPS directly. In the past, Census would provide these statistics to ERS. There are slight differences in the ERS figures from those estimated by BLS. There are two reasons for these differences. First, the CPS data provided to ERS is “suppressed.” This means that the metro/nonmetro status of some households is not provided in order to ensure their confidentiality. For the 1996 data about 0.3 percent of the sample is suppressed. Second, ERS is not able to “composite” the data as is done by BLS. Compositing is a weighted average estimation technique that smooths the data month-to-month. An ERS estimate of an unemployment rate might then be 0.1-0.2 percentage

point different from a BLS estimate. The benefit of ERS directly estimating the CPS statistics is that more information by metro/nonmetro can be reported than had previously been provided by BLS.

The quarterly CPS data that ERS is now reporting is not seasonally adjusted. To do a seasonal adjustment, a longer series of consistent data than is currently available is needed.

Because BLS is not currently publishing metro/nonmetro statistics, the ERS statistics are now the only ones available. BLS plans to resume publishing the metro/nonmetro statistics in the future. *[Karen S. Hamrick, 202-219-0789 (after October 24, 202-694-5426), khamrick@econ.ag.gov]*

Appendix Tables

Appendix table 1—Annual employment change by residence, region, and county type

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
	Percent					
U.S. total	-0.9	0.8	1.5	2.3	1.7	1.5
Metro	-1.0	0.6	1.4	2.2	1.7	1.7
Nonmetro	-0.1	1.7	1.9	2.8	1.7	0.9
Regions:						
Metro-						
Northeast	-2.7	-1.2	0.7	0.2	0.6	1.5
Midwest	-0.7	1.5	1.5	2.5	1.8	1.2
South	0.0	1.2	2.0	2.8	2.0	1.9
West	-1.3	0.4	1.0	2.8	2.3	1.9
Nonmetro-						
Northeast	-1.3	0.0	0.4	0.1	1.5	1.0
Midwest	0.3	1.8	2.4	3.0	1.7	0.8
South	-0.3	1.6	1.8	2.7	1.6	0.7
West	0.7	2.8	2.4	4.5	2.1	1.4
County type:						
Farming	0.1	1.4	1.2	3.3	0.8	0.9
Mining	-0.2	-0.2	0.6	1.6	0.8	0.5
Manufact.	-0.7	1.7	2.0	2.8	1.4	0.4
Govt.	0.2	2.0	1.5	2.4	2.4	1.4
Services	0.7	1.7	2.8	3.4	1.9	1.3
Nonspec.	0.0	2.0	1.9	2.5	2.1	0.8
Retirement	1.1	2.6	2.8	3.7	2.9	2.3
Fed. lands	0.6	2.5	2.7	4.7	2.4	1.0
Commuting	-0.0	1.7	2.6	2.8	2.1	0.6
Poverty	-0.3	1.7	1.6	2.8	1.8	0.3
Transfers	-0.1	1.9	1.9	3.0	1.8	0.9
Urban-rural:						
Metro-						
Core	-1.7	-0.1	1.0	1.9	1.6	1.7
Noncore	-0.1	1.4	1.9	2.5	1.9	1.6
Nonmetro-						
Adjacent	-0.2	1.6	1.9	2.8	1.8	0.9
Nonadj.	0.1	1.7	2.0	2.8	1.5	0.8

Source: Calculated by ERS from Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

Appendix table 2—Metro and nonmetro labor force and unemployment by demographic group, 1996

	Metro			Nonmetro		
	Labor force	Unemployment rate	Adjusted Unemployment Rate	Labor force	Unemployment Rate	Adjusted Unemployment Rate
	1,000's	-----Percent-----		1,000's	-----Percent-----	
Age:						
16-19	6,058	17.3	25.1	1,766	15.2	23.5
20-24	10,869	9.1	15.2	2,513	10.4	16.2
25-34	28,017	5.1	8.3	5,754	5.9	9.5
35-44	29,781	4.2	6.8	6,737	4.1	6.8
45-54	21,305	3.4	5.8	5,073	3.2	5.7
55-64	9,566	3.5	6.2	2,557	3.1	5.5
65+	2,943	3.9	7.3	918	2.3	4.7
Gender:						
Women	50,215	5.4	9.5	11,602	5.8	10.5
Men	58,326	5.4	8.3	13,715	5.4	8.0
Race:						
White	79,005	4.1	6.8	21,799	4.7	7.8
Black	12,930	10.3	16.1	1,861	12.9	18.5
Hispanic	11,677	9.0	14.4	1,123	8.4	14.1
Education:						
Less than high school graduation	14,333	12.8	19.7	4,329	11.3	17.3
High school diploma or GED	33,180	5.9	9.8	10,254	5.4	9.1
Some college, including Associate degree	31,177	4.4	7.2	6,741	4.1	6.9
College	29,850	2.5	4.2	3,993	2.3	4.0
Total	108,540	5.4	8.9	25,317	5.6	9.1

Note: Nonmetro residents are somewhat more likely to be less than high school graduation (who have a relatively high unemployment rate), and much less likely to be college graduates (who have a very low unemployment rate). As a result, the estimated nonmetro unemployment rate is slightly higher than the metro rate, even though nonmetro unemployment rates are lower for each specified level of education.

Source: Calculated by ERS using data from the Current Population Survey.

Appendix Tables

Appendix table 3—Metro employment: Quarterly averages, first quarter 1990 through second quarter 1997

Year/ quarter	Population 16+	Labor force	Labor force participation	Employed	Employment/ population ratio	Unemployed	Unemploy- ment rate	Adjusted un- employment rate
	-----Thousands-----		Percent	Thousands	Percent	Thousands	-----Percent-----	
1997—								
2nd	162,754	109,746	67.4	104,280	64.1	5,466	5.0	8.2
1st	162,640	109,716	67.5	103,585	63.7	6,131	5.6	9.0
1996—								
4th	161,663	109,373	67.7	103,950	64.3	5,423	5.0	8.1
3rd	160,963	109,342	67.9	103,535	64.3	5,807	5.3	8.7
2nd	160,575	108,337	67.5	102,443	63.8	5,894	5.4	8.9
1st	160,513	107,108	66.7	100,697	62.7	6,411	6.0	9.6
1995—								
4th	158,805	106,484	67.1	100,883	63.5	5,601	5.3	8.7
1995-1st quarter through 3rd quarter					Data not available			
1994					Data not available			
1993—								
4th	152,412	102,181	67.0	95,690	62.8	6,491	6.4	9.3
3rd	151,866	102,631	67.6	95,593	62.9	7,037	6.9	10.1
2nd	151,489	101,900	67.3	94,673	62.5	7,227	7.1	10.3
1st	151,024	100,485	66.5	92,736	61.4	7,749	7.7	11.0
1992—								
4th	150,793	100,813	66.9	93,585	62.1	7,228	7.2	10.3
3rd	150,330	102,137	67.9	94,388	62.8	7,749	7.6	10.8
2nd	150,176	101,300	67.5	93,598	62.3	7,702	7.6	10.7
1st	150,005	100,218	66.8	92,262	61.5	7,956	7.9	11.3
1991—								
4th	149,389	99,978	66.9	93,206	62.4	6,772	6.8	9.9
3rd	149,316	101,005	67.6	94,209	63.1	6,796	6.7	9.8
2nd	148,762	100,073	67.3	93,406	62.8	6,667	6.7	9.5
1st	148,348	99,040	66.8	92,246	62.2	6,794	6.9	9.8
1990—								
4th	147,921	99,548	67.3	93,885	63.5	5,663	5.7	8.3
3rd	147,476	100,424	68.1	94,846	64.3	5,579	5.6	8.1
2nd	147,396	99,655	67.6	94,481	64.1	5,174	5.2	7.6
1st	147,154	98,794	67.1	93,319	63.4	5,475	5.5	7.4

Note: Metro and nonmetro population, labor force and employment totals for the 4th quarter of 1995 are not consistent with values for 1996. The Bureau of Labor Statistics is currently working with the Census Bureau to identify the reasons for this inconsistency and develop consistent values. Source: Calculated by ERS using data from the Current Population Survey.

Appendix table 4—Nonmetro employment: Quarterly averages, first quarter 1990 through second quarter 1997

Year/ quarter	Population 16+	Labor force	Labor force participation	Employed	Employment/ population ratio	Unemployed	Unemploy- ment rate	Adjusted un- employment rate
	-----Thousands-----		Percent	Thousands	Percent	Thousands	-----Percent-----	
1997—								
2nd	39,705	25,901	65.2	24,611	62.0	1,290	5.0	8.2
1st	39,386	24,006	63.5	23,392	59.4	1,614	6.5	9.9
1996—								
4th	39,407	25,384	64.4	24,031	61.0	1,350	5.3	8.6
3rd	39,453	25,748	65.3	24,386	61.8	1,360	5.3	8.7
2nd	39,301	25,369	64.6	23,994	61.1	1,375	5.4	9.1
1st	38,889	24,767	63.7	23,205	59.7	1,562	6.3	10.2
1995—								
4th	40,121	25,831	64.4	24,463	61.0	1,368	5.3	9.3
1995-1st quarter through 3rd quarter					Data not available			
1994					Data not available			
1993—								
4th	43,209	27,447	63.5	25,821	59.8	1,626	5.9	9.6
3rd	43,202	27,777	64.3	26,087	60.4	1,689	6.1	9.9
2nd	43,066	27,308	63.4	25,497	59.2	1,811	6.6	10.3
1st	43,082	27,070	62.8	24,939	57.9	2,131	7.9	11.9
1992—								
4th	42,822	27,279	63.7	25,526	59.6	1,754	6.4	10.3
3rd	42,694	27,434	64.3	25,510	59.8	1,925	7.0	10.8
2nd	42,331	26,995	63.8	25,068	59.2	1,927	7.1	10.8
1st	42,070	26,243	62.4	24,032	57.1	2,211	8.4	12.6
1991—								
4th	42,261	26,440	62.6	24,718	58.5	1,722	6.5	10.2
3rd	41,805	26,355	63.0	24,651	59.0	1,705	6.5	10.4
2nd	41,893	26,495	63.2	24,611	58.7	1,884	7.1	10.8
1st	41,924	26,000	62.0	23,826	56.8	2,174	8.4	12.4
1990—								
4th	41,945	26,306	62.7	24,698	58.9	1,608	6.1	9.8
3rd	41,877	26,545	63.4	25,074	59.9	1,471	5.5	9.0
2nd	41,520	26,320	63.4	24,815	59.8	1,505	5.7	9.0
1st	41,366	25,767	62.3	24,055	58.2	1,712	6.6	10.1

Note: Metro and nonmetro population, labor force, and employment totals for the 4th quarter of 1995 are not consistent with values for 1996. The Bureau of Labor Statistics is currently working with the Census Bureau to identify the reasons for this inconsistency and develop consistent values.

Source: Calculated by ERS using data from the Current Population Survey.

Appendix Tables

Appendix table 5—Characteristics of multiple jobholders, 1996

Characteristics	Total employed		Multiple jobholders	Multiple jobholders		
				Hours worked at all jobs	Hours worked at main job	Hours worked at other job(s)
	Thousands		Percent	-----Average weekly hours-----		
Metro	102,657	6,331	6.2	48.7	35.4	13.3
Nonmetro	23,904	1,716	7.2	49.7	35.6	14.0
Nonmetro:						
Age:						
16-19	1,497	89	5.9	36.4	25.3	11.1
20-24	2,251	159	7.1	43.2	32.0	11.2
25-34	5,412	387	7.2	50.2	35.8	14.4
35-44	6,459	495	7.7	51.8	37.6	14.2
45-54	4,910	397	8.1	52.8	37.5	15.3
55-64	2,478	154	6.2	49.6	35.5	14.2
65+	897	35	3.9	38.0	26.3	11.6
Sex:						
Male	12,978	943	7.3	54.8	39.7	15.1
Female	10,926	773	7.1	43.4	30.6	12.8
Race/ethnicity:						
White	20,785	1,563	7.5	49.6	35.7	13.9
Black	1,621	87	5.4	50.9	35.9	15.0
Hispanic	1,029	41	4.0	50.3	33.4	16.9
Education:						
Less than high school graduation	3,841	147	3.8	44.7	31.5	13.3
High school diploma or GED	9,697	591	6.1	50.6	36.5	14.1
Some college, including Associate degree	6,464	584	9.0	50.5	36.1	14.5
College graduate	3,903	393	10.1	48.8	35.3	13.6
Region:						
Northeast	2,598	185	7.1	45.6	33.1	12.5
Midwest	8,058	728	9.0	50.2	35.7	14.5
South	9,769	530	5.4	51.2	37.1	14.2
West	3,480	272	7.8	48.0	34.4	13.6

Source: Calculated by ERS using data from the Current Population Survey.

Appendix table 6—Poverty rates by residence, region, and selected characteristics, 1995

	Poverty rate		Share of poor	
	Nonmetro	Metro	Nonmetro	Metro
	Percent			
Total	15.6	13.4	100.0	100.0
By region:				
Northeast	11.3	12.7	7.9	20.5
Midwest	11.6	10.8	22.8	17.4
South	19.2	14.6	53.6	35.7
West	16.5	14.7	15.6	26.4
By race/ethnicity:				
White non-Hispanic	12.2	7.4	64.9	38.6
Black non-Hispanic	34.8	28.1	20.4	28.1
Hispanic	30.6	30.2	9.7	27.4
Native American	35.6	28.1	3.9	1.4
By family type:				
Husband-wife headed families	8.3	6.4	36.7	31.3
Female-headed families	39.9	35.6	36.4	42.3
Women living alone	31.3	21.8	14.4	13.1
Men living alone	22.4	17.1	8.9	9.4
By age:				
Age 0-17	22.4	20.4	39.1	40.6
Age 18-64	13.1	11.0	49.2	51.0
Age 65+	13.1	9.7	11.7	8.4
By family employment:				
One or more full-time-full-year worker	5.6	4.2	23.2	21.9
Part-time or part-year worker(s) only	37.4	33.3	38.9	36.3
No family-member employed	56.5	64.5	27.4	34.8
No working-age person in family	15.2	10.8	10.6	7.0
By educational attainment:				
(Persons age 25 and above only)				
Less than high school graduation	23.6	25.4	45.9	44.2
High school diploma or GED	10.4	9.3	33.8	30.8
Some college or Associate degree	8.5	6.8	16.1	17.5
Bachelor's degree or more	3.5	2.9	4.2	7.6

Notes: See appendix for definitions of regions. Shares of poor by race-ethnicity and family type do not add to 100 percent because not all categories are included. Work status refers to employment during the entire year. For persons living alone, family employment refers to the person's own work status.

Source: Calculated by ERS using data from the Bureau of the Census March 1996 Current Population Survey.

Appendix Tables

Appendix table 7—Characteristics of workers by poverty status and residence, 1995

	Nonmetro workers			Metro workers		
	Poor	Near-poor	Other	Poor	Near-poor	Other
	Percent					
By region:						
Northeast	6.8	10.2	11.7	15.8	17.5	22.4
Midwest	25.9	27.7	35.1	18.4	18.9	23.7
South	47.9	47.8	38.5	38.4	36.3	31.9
West	19.4	14.3	14.7	27.4	27.3	22.0
By age:						
Less than 25 years	30.7	21.5	12.6	32.1	22.5	12.8
25-44 years	52.8	58.8	50.9	53.6	58.5	55.1
45-64 years	16.5	19.7	36.5	14.3	19.0	32.1
By race:						
White (Non-hispanic)	69.7	75.5	90.2	44.2	55.2	78.6
Black	15.9	13.4	5.2	24.7	17.9	10.1
Hispanic	10.6	9.1	3.5	29.9	25.9	10.8
Other	4.8	2.0	1.1	1.2	1.0	0.5
By work effort:						
Part-time, part-year	69.7	37.1	22.6	68.9	36.9	22.1
Full-time, full-year	30.3	62.9	77.4	31.1	63.1	77.9
By educational attainment for workers 25 and over:						
Less than high school	32.0	23.3	9.5	37.3	25.2	6.0
High school and over	68.0	76.7	90.5	62.7	74.8	94.0
By family type:						
Female head	47.8	27.3	10.5	49.0	33.8	15.6
Male head	52.2	72.7	89.5	51.0	66.2	84.4
By presence of young children:						
One or more children under 6	31.8	27.9	15.5	34.1	26.5	16.1
No children under 6	68.2	72.1	84.5	65.9	73.5	83.9
By barriers to earning a livable wage:						
No barrier	35.2	47.8	72.8	35.5	47.7	74.4
One barrier	39.6	42.0	25.7	35.8	40.0	24.0
Two barriers	21.7	9.8	1.5	24.9	11.9	1.6
Three barriers	3.5	0.4	0.0	3.8	0.4	0.0

Note: See appendix for definitions of regions.

Source: Calculated by ERS using data from the March Supplement of the 1996 Current Population Survey.

Appendix table 8—Annual population change from migration, per capita income of in-, out-, and nonmigrants, and annual change in per capita income due to migration, by residence, region, and county type, average of 3 years: 1992-93, 1993-94, and 1994-95

Item	Counties	Population change from migration			Per capita income by migration status			Income change from migration
		In	Out	Net	Inmigrants	Outmigrants	Nonmigrants	
		---Percent change---			-----Dollars-----			
U.S. total	3,070	6.2	6.1	0.1	14,943	14,977	16,189	-3
Metro	805	6.1	6.2	-0.1	15,998	16,078	17,206	-4
Nonmetro	2,265	6.6	6.0	0.6	11,176	10,579	12,229	30
Region:								
Metro—								
Northeast	122	4.4	5.0	-0.6	20,092	20,282	19,314	-14
Midwest	221	5.3	5.5	-0.2	16,220	16,825	17,535	-31
South	372	7.7	7.2	-.5	14,726	14,425	15,792	16
West	90	6.2	6.5	-0.3	15,210	14,853	16,771	28
Nonmetro—								
Northeast	95	5.0	5.0	0.0	13,832	13,359	13,749	24
Midwest	822	6.0	5.6	0.4	11,050	10,968	12,696	-1
South	999	6.8	6.1	0.7	10,594	9,833	11,458	41
West	349	8.9	7.5	1.4	11,576	10,402	12,343	79
Rural-urban continuum:								
Metro—								
Core, large metro	166	5.7	6.2	-0.5	17,551	17,836	18,483	-13
Outlying, large metro	131	8.2	6.5	1.7	15,872	14,607	15,896	82
Medium metro	309	6.3	6.0	0.3	14,480	14,089	15,820	19
Small metro	199	6.8	6.4	0.4	12,655	12,272	14,445	17
Nonmetro—								
Adjacent, large urban	133	6.4	5.9	0.5	12,372	11,955	13,606	18
Nonadjacent, large urban	112	7.6	7.4	0.2	11,114	10,708	13,167	26
Adjacent, small urban	606	6.5	5.7	0.8	11,189	10,425	11,963	38
Nonadjacent, small urban	650	6.4	5.9	0.5	10,638	10,107	11,740	26
Adjacent, rural	245	7.3	6.2	1.1	10,638	10,107	11,740	59
Nonadjacent, rural	519	6.7	5.9	0.7	10,136	9,357	10,401	44
County types:								
Economic—								
Farming	544	6.6	6.4	0.2	8,997	8,927	10,550	2
Mining	143	5.9	5.8	0.1	10,114	10,490	11,802	-23
Manufacturing	502	5.7	5.1	0.6	11,223	11,050	12,542	2
Government	252	8.7	8.6	0.1	10,589	10,226	11,918	30
Services	323	7.2	6.0	1.2	12,921	11,358	13,172	91
Nonspecialized	482	6.6	5.8	0.8	10,981	10,326	11,908	31
Policy—								
Retirement	190	9.1	6.7	2.5	13,552	10,881	12,729	201
Federal lands	278	9.1	7.5	1.6	12,054	10,580	12,381	106
Commuting	377	7.3	6.2	1.1	11,170	10,481	11,975	35
Poverty	536	6.5	6.1	0.4	9,031	8,750	9,953	14
Transfers	384	6.7	5.8	0.9	9,692	8,850	10,083	46

Notes: Statistics calculated separately for data from 1992-93, 1993-94, and 1994-95, then averaged. Values are the aggregate values for all counties in the category. See appendix for definition of regions, for definition of county types, and for definition of urban-rural categories.

Source: Calculated by ERS using data from the Internal Revenue Service.

Appendix Tables

Appendix table 9—Population change, net migration, and natural increase by county types, 1990 to 1996

County type	Counties	Population change	Share of counties with increasing population	Net migration	Share of counties with net immigration	Natural change	Share of counties with natural increase
	Number	-----Percent-----					
Total nonmetro	2,291	5.9	75	3.6	67	2.3	74
Farming-dependent	556	4.0	50	2.1	47	1.8	53
Mining-dependent	146	2.8	64	.2	52	2.6	81
Manufacturing-dependent	506	5.2	87	3.0	75	2.2	90
Government-dependent	244	6.1	85	1.8	74	4.3	84
Services	323	8.4	83	6.5	75	2.0	73
Nonspecialized	484	6.2	81	4.5	75	1.7	74
Retirement	190	16.3	100	14.6	99	1.8	63
Recreational	282	11.2	94	8.6	88	2.6	77
Federal lands	270	13.8	93	10.0	83	3.8	
Persistent poverty	535	4.9	74	1.8	57	3.1	82
Adjacent to large metro	184	8.5	94	5.9	86	2.7	84
Adjacent to small metro	805	6.1	84	4.0	75	2.2	82
Nonadjacent to metro	1,302	5.0	66	2.6	58	2.4	67
Metro	813	6.9	90	1.8	74	5.0	96

Notes: County types are not mutually exclusive, except that farming, mining, manufacturing, government, services, and nonspecialized types are mutually exclusive of each other. Recreational counties defined by Johnson and Beale in *Rural Conditions and Trends*, Vol. 5 No. 1, Spring 1994. Adjacency defined by Urban Influence Code, Ghelfi and Parker. All other types defined in Cook and Mizer, 1994. Percent change is aggregate change for all cases in category. Number of counties reflects the aggregation of Virginia independent cities with their counties of origin. (See Data Sources and Definitions appendix for more information.)

Source: Calculated by ERS using data from the Bureau of the Census.

Appendix table 10—Characteristics of the foreign-born and native nonmetro population, 1996

Characteristics	Native Nonmetro	Year of entry of the foreign-born population					
		Before 1980		1980-89		1990-96	
		Metro	Nonmetro	Metro	Nonmetro	Metro	Nonmetro ¹
-----Naturalized citizens-----							
Total (thousands)	50,689	5,312	334	1,818	111	299	30
Age (%)							
Less than 18	27.8	.2	0.0	9.8	38.6	26.1	36.2
18 to 64	58.3	71.9	64.0	85.3	58.7	67.5	63.8
65 and over	13.9	27.8	36.0	5.0	2.7	6.4	0.0
Education (age 25+)(n)	32,115	5,156	331	1,479	62	177	15
Less than high school (%)	22.9	21.5	36.6	14.3	26.3	39.4	38.1
High school graduate	39.5	27.1	26.8	22.2	38.4	22.9	11.9
Some college	23.1	22.5	21.1	22.1	8.4	13.8	11.6
College 4+	14.6	28.9	15.6	41.4	26.9	23.9	38.4
Median earnings (\$)	15,600	25,000	18,000	22,000	19,051	15,000	25,000
Unemployment (%)	6.3	2.4	0.4	3.5	8.5	5.3	10.0
Poverty (%)	15.7	9.4	11.6	11.1	21.3	22.8	14.0
Government assistance:							
Public assistance (%)	1.8	1.0	0.0	1.9	0.0	7.0	5.8
Food stamps (%)	11.5	4.8	2.1	7.4	4.8	12.6	23.7
Medicaid (%)	13.7	5.7	2.5	9.6	8.0	14.9	18.0
-----Noncitizens-----							
Total (n)	50,689	3,675	240	6,219	268	5,962	288
Age (%)							
Less than 18	27.8	.4	.3	12.3	19.9	25.1	28.4
18 to 64	58.3	83.6	88.9	84.0	77.9	71.6	70.7
65 and over	13.9	16.0	10.8	3.7	2.2	3.3	.9
Education (age 25+) (n)	32,115	3,403	224	4,657	183	3,263	140
Less than high school (%)	22.9	49.1	53.3	45.8	53.9	36.2	47.6
High school graduate	39.5	23.5	20.6	21.9	20.0	20.3	28.4
Some college	23.1	16.2	18.2	13.7	17.1	13.7	10.5
College 4+	14.6	11.2	7.9	18.5	9.0	29.8	13.5
Median earnings (\$)	15,600	17,000	13,782	14,000	12,000	11,128	10,000
Unemployment (%)	6.3	5.4	3.5	5.6	9.3	6.6	11.4
Poverty (%)	15.7	18.8	21.5	27.2	30.1	34.2	33.2
Government assistance:							
Public assistance (%)	1.8	3.1	2.8	4.1	5.0	3.2	1.0
Food stamps (%)	11.5	11.3	13.0	15.9	26.6	16.3	13.3
Medicaid (%)	13.7	13.8	11.4	14.7	22.3	17.1	8.3

¹Due to the small number of observations for nonmetro naturalized citizens whose year of entry was between 1990-1996 caution should be used when interpreting results.

Source: Calculated by ERS using data from the March 1996 Current Population Survey.

Appendix Tables

Appendix table 11—Demographic and earnings characteristics of hired farmworkers (annual averages), 1990-96

Characteristics	Hired farmworkers						
	1990	1991	1992	1993	1994 ¹	1995 ¹	1996
Thousands							
Number of workers	886	884	848	803	793	849	906
Percent							
Total	100	100	100	100	100	100	100
Gender:							
Male	82.9	82.4	83.8	84.7	83.7	84.5	84.2
Female	17.1	17.6	16.2	15.3	16.3	15.5	15.8
Racial/ethnic group:							
White	61.0	60.3	59.7	57.5	51.3	53.5	58.9
Hispanic	29.4	28.3	30.7	33.6	41.3	41.1	36.0
Black and other	9.6	11.4	9.6	8.9	7.4	5.3	5.1
Age (years):							
16-24	31.5	25.0	24.7	27.2	28.0	30.1	27.9
25-44	47.6	51.6	52.6	51.1	48.8	44.2	46.0
45-59	14.4	15.1	16.3	16.2	17.2	18.2	19.1
60 and older	6.5	8.3	6.4	5.5	6.0	7.5	7.0
Marital status:							
Married	53.3	53.4	53.5	51.8	58.5	58.5	56.3
Widowed, divorced, or separated	8.9	11.2	10.1	9.5	8.7	7.5	8.1
Never married	37.8	35.4	36.4	38.6	32.8	34.0	35.6
Schooling completed: ²							
0-4 years	11.1	11.5	14.1	16.4	13.4	14.2	13.1
5-8 years	21.6	21.2	16.0	17.4	22.9	22.5	19.9
9-11 years	22.8	22.6	27.0	21.8	22.7	22.7	24.2
12 years	31.4	31.0	26.9	27.0	25.9	25.9	25.4
13 years or more	13.1	13.7	16.0	17.4	15.6	14.7	17.4
Dollars							
Median weekly earnings: ³							
Full-time workers ⁴	288	276	268	272	265	268	280
All workers	240	242	224	239	245	247	250

Note: Data for 1994 and later years are not directly comparable with data for 1993 and earlier years.

¹Revised

²Educational attainment levels, beginning January 1992, were revised to reflect degrees or diplomas received rather than years of school completed.

³Median earnings are in 1996 dollars.

⁴Full-time workers usually work 35 or more hours per week.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

Appendix table 12—Demographic and earnings characteristics of all wage and salary workers (annual averages), 1990-96

Characteristics	All wage and salary workers						
	1990	1991	1992	1993	1994 ¹	1995 ¹	1996
Thousands							
Number of workers	104,351	103,166	104,054	105,407	108,166	110,220	112,142
Percent							
Total	100	100	100	100	100	100	100
Gender:							
Male	52.7	52.5	52.2	52.1	52.4	52.4	52.2
Female	47.3	47.5	47.8	47.9	47.6	47.6	47.8
Racial/ethnic group:							
White	78.3	78.1	77.9	77.7	76.3	76.2	75.0
Hispanic	7.9	8.0	8.0	8.2	9.3	9.5	9.7
Black and other	13.8	13.9	14.1	14.1	14.4	14.3	15.3
Age (years):							
16-24	15.8	17.2	16.7	16.6	17.1	16.8	16.2
25-44	56.5	55.4	55.2	54.7	54.3	53.9	53.8
45-59	21.8	21.7	22.5	23.2	23.4	24.0	24.7
60 and older	5.9	5.7	5.6	5.5	5.2	5.3	5.3
Marital status:							
Married	58.2	58.5	58.3	58.2	57.9	58.0	58.0
Widowed, divorced, or separated	14.3	14.3	15.4	14.6	14.5	14.4	14.5
Never married	27.5	27.2	27.2	27.1	27.6	27.6	27.5
Schooling completed: ²							
0-4 years	1.0	0.9	0.9	0.8	0.8	0.8	0.7
5-8 years	4.0	3.7	3.0	2.8	2.8	2.7	2.7
9-11 years	10.8	10.2	10.1	9.8	9.5	9.5	9.7
12 years	39.4	39.2	35.0	34.4	33.3	32.7	32.4
13 years or more	44.8	46.0	51.0	52.2	53.6	54.3	54.4
Dollars							
Median weekly earnings ³							
Full-time workers ⁴	485	492	492	494	489	494	481
All workers	432	426	425	434	423	412	415

Note: Data for 1994 and later years are not directly comparable with data for 1993 and earlier years.

¹Revised.

²Educational attainment levels, beginning January 1992, were revised to reflect degrees or diplomas received rather than years of school completed.

³Median earnings are in 1996 dollars.

⁴Full-time workers usually work 35 or more hours per week.

Source: Calculated by ERS using data from the Current Population Survey earnings microdata file.

Appendix Tables

Appendix table 13—Farm operator household income, by selected characteristics, 1995

Item	Households		Mean household income		Share from off-farm sources ¹		Percent of U.S. average household income ²
	Number	RSE ³	Dollars	RSE ³	Percent	RSE ³	Percent
All farm households	2,036,810	2.5	44,392	2.8	89	1.4	99
Operator's age:							
Less than 35 years	168,825	9.6	32,506	6.7	93	6.0	72
35 to 44 years	407,345	5.2	47,266	6.2	89	3.2	105
45 to 54 years	476,807	4.9	51,953	4.2	92	2.3	116
55 to 64 years	469,052	5.2	50,421	7.0	88	2.9	112
65 years or older	514,780	4.7	33,518	5.5	87	3.7	75
Operator's education:							
Less than high school	425,612	5.6	30,173	10.6	94	2.9	67
High school	819,087	4.0	41,479	4.2	87	2.4	92
Some college	443,374	5.4	48,726	4.8	86	3.6	108
College	348,736	5.4	63,075	5.2	93	2.3	140
Operator's occupation:							
Farming	903,820	2.5	40,342	4.0	65	3.3	90
Other occupation	797,718	4.7	53,425	4.4	109	1.1	119
Retired	335,272	7.0	33,815	7.3	95	5.0	75
Type of farm:							
Cash grains	383,554	3.7	48,922	5.9	74	3.1	109
Other crops	468,177	5.1	53,476	5.6	79	3.3	119
Beef, hogs, or sheep	947,190	3.9	37,605	3.9	108	2.0	84
Dairy	121,506	4.8	47,707	15.6	48	18.8	106
Other livestock	116,383	14.5	44,695	15.2	109	4.7	99
Sales class of farm:							
Less than \$50,000	1,514,542	3.3	39,814	3.6	108	1.3	89
\$50,000 or more	522,268	2.1	57,667	4.5	51	4.7	128
\$50,000 - \$99,999	192,476	4.9	33,367	6.6	88	4.5	74
\$100,000 - \$249,999	215,375	3.2	47,093	9.3	62	7.3	105
\$250,000 - \$499,999	71,674	4.3	72,307	8.4	41	12.5	161
\$500,000 or more	42,743	4.2	195,825	7.5	16	10.5	436
Farm organization:							
Individual	1,880,516	2.7	42,354	3.0	93	1.4	94
Partnership	100,226	7.1	64,387	9.7	68	7.2	143
Family corporation	56,067	9.9	76,978	10.4	50	11.8	171
Major farming region:							
Northeast	135,899	7.0	44,583	9.0	91	6.4	99
Lake States	220,451	7.0	41,427	6.9	87	3.3	92
Corn Belt	412,522	5.5	46,049	5.7	85	2.6	102
Northern Plains	180,989	6.5	39,148	7.9	74	6.6	87
Appalachian	295,109	6.8	40,416	8.7	94	2.6	90
Southeast	150,529	7.8	48,724	10.4	97	2.8	108
Delta	109,622	8.8	37,532	9.1	102	4.2	84
Southern Plains	270,893	8.4	42,853	7.8	100	4.3	95
Mountain	111,797	7.5	42,133	10.1	89	4.9	94
Pacific	148,997	12.3	63,421	13.7	80	8.2	141

¹Income from off-farm sources can be more than 100 percent of total household income if farm income is negative. ²Mean household income divided by U.S. mean household income (\$44,938). ³The relative standard error (RSE) provides the means of evaluating the survey results. A smaller RSE indicates greater reliability of the estimate.

Source: Calculated by the Economic Research Service using data from the 1995 Farm Costs and Returns Survey (FCRS).